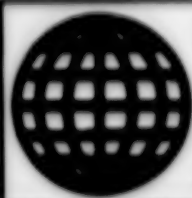


JPRS-CAR-92-030  
15 MAY 1992



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# ***JPRS Report***

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## **China**

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# China

JPRS-CAR-92-030

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### Improved Training of Minority Cadres Urged

92CM0231B Zhengzhou LINGDAO KEXUE  
[LEADERSHIP SCIENCE] in Chinese  
No 1, 11 Jan 92 pp 14-15

[Article by Yao Zhongwu (1202 6988 0124) and Fang Shiping (2455 0099 1627), Young Cadres Office, Organizational Department, Guizhou Provincial CPC Committee: "An Exploration of Problems in Selecting and Training Minority Nationality Reserve Cadres"]

[Text] Since the Third Plenary Session of the 11th party Central Committee, all levels of the CPC Committee in Guizhou Province have devoted an extremely great deal of attention to the building of a minority nationalities cadre corps, actively selecting and training a number of outstanding minority national reserve cadres. Nevertheless, in terms of quantity and quality, the province's minority nationalities reserve cadres corps is still a very long way from meeting requirements for the province's development of the intellect of all nationalities, vigorous development of the minority nationalities economy, and realizing self-rule in minority nationalities areas. Nor does it meet requirements for the various kinds of human talent needed for building the economy of minority nationalities areas. Therefore, in view of the present status of the province's minority nationalities cadres, and for historical and cultural reasons, we believe that we must create a fine environment and adopt special measures to accelerate the training of minority nationality reserve cadres in order to satisfy leadership teams needs in building minority nationality cadres.

#### 1. The Need To Distinguish Between Requirements For the Selection of Minority Nationality Reserve Cadres and Han Nationality Reserve Cadres, Emphasizing The Development Potential of Inherent Attributes

The economic and cultural backwardness of the minority peoples that results from historical reasons and their location in remote areas, as well as the definite influence on the psychological make-up of minority nationality cadres of the enduring nature, public nature, and complexity of their religious faith means that minority nationality cadres mature slowly. This occasions difficulties for the selection of minority nationality reserve cadres. Therefore, while adhering to the "four transformations" for cadres in the selection of minority nationality reserve cadres, one must use different requirements than for Han nationality reserve cadres, placing emphasis on observation and study of inherent attributes of minority nationality cadres. Minority nationality reserve cadres will bear responsibility for developing the minority nationality economy to consolidate the leadership of the proletariat. The escape from poverty to prosperity in minority nationality areas, the economic and cultural flowering and development of minority nationality areas, and reform and opening to the outside world of minority nationality areas will pose higher requirements of the times for minority nationality cadres. Consequently, an orientation toward the future

and toward socialist modernization must be adopted in selecting minority nationality reserve cadres, focusing on the tempering and improvement of inherent attributes. By the inherent attributes of minority nationality reserve cadres is meant mostly their political attributes, cultural attributes, and capabilities. Political attributes are expressed specifically in support for and adherence to the four basic principles, adherence to reform and opening to the outside world, ardent love for the socialist motherland, safeguarding and working for the unity of nationalities, and a correct work style. This is foremost. Cultural attributes are expressed in fairly high attainments in basic Marxist theories and both general cultural and scientific knowledge. Capabilities are expressed largely in dialectic modes of thought, in fairly strong adaptability, and in a pioneering spirit of resolve to get ahead. In selecting minority nationality reserve cadres, one must mostly determine whether the development of their inherent attributes can meet the requirements of future changes in objective circumstances, avoiding at all costs a simplified, absolutist, and warped cadre understanding of the "four modernizations" policy.

#### 2. Special Actions To Maintain a Rational Makeup of the Minority Nationalities Reserve Cadre Corps

An insufficient number, too low a percentage, and a not entirely rational composition of minority nationality reserve cadres is another problem in the province's reserve cadre work. To deal with this situation, we believe attention must be given to the following two aspects of minority nationality reserve cadre selection:

First, while adhering to the overall guiding thought of the cadre "four transformations" policy, special actions should be taken that differ from those used for incumbent cadres and reserve cadres of the Han race. Insofar as possible, minority nationality cadres of greater moral and political integrity, who possess a certain level of political theory and general cultural and scientific knowledge, who are familiar with minority nationality traits, and who understand the situation in minority nationality areas should be selected for the reserve cadres corps, thereby building a sufficiently staffed reserve cadre corps. Specific actions to be taken are as follows: 1) Use of various channels to develop minority nationality education in order to expand the minority nationality cadre corps, thereby solving the problem of a source of reserve cadres; 2) selection of outstanding minority nationality cadres from among grass-roots level cadres; 3) diligent formulation of minority nationality cadre requirements and plans, making sure that the minority nationality reserve cadres selected are no fewer than twice the number of incumbents.

Second, a rational mix must be maintained in the selection of minority nationality reserve cadres: 1) A graduated age structure must be planned, and a corresponding dynamic balance maintained during the course of steady growth; 2) A proper mix of specialized categories must be maintained that includes talent having specialized knowledge in various fields including

industry, agriculture, economics, trade, natural sciences, physical sciences, culture, and education. More people possessing knowledge in fields in which the province is relatively lacking, such as management of the economy, politics and law, and finance and trade should be selected for training. 3) maintenance of relative balance among the near, the mid, and the long terms, the emphasis in selection going to fairly mature middle-aged and young cadres who have gone through a certain amount of tempering to shape a minority nationality reserve cadre corps primarily for the near and mid term; 4) maintenance of a proportional balance of minority nationalities. In Guizhou Province, a good job must be done of selecting Miao, Bouyei, Dong, Tu, and Yi minority nationality cadres to build a reserve cadre corps in which these main minority nationalities are dominant. At the same time, attention should be paid to the selection of other minority nationality cadres and minority nationality women cadres so that the proportion of minority population cadres corresponds generally to their proportion in the population.

### 3. Creation of an Optimum Environment To Accelerate the Growth of Minority Nationality Reserve Cadres

The training of a minority nationality reserve cadre corps requires focusing on the weak links existing in it, creating a fine environment, adopting special measures, and classifying people in a focused, planned, and goal-oriented way, deciding on the basis of personal performance who is to "eat in a special mess," and who is to be given "special food" in order to make up what they may be lacking, and having them undergo tempering under different environmental conditions. Training should be used to raise the understanding of political theory and the professional capabilities of minority nationality reserve cadres, to expand their horizons, to widen their knowledge, and to improve their competitiveness and self-confidence.

1. Emphasis on practical tempering centering around improvement of professional capabilities. Minority nationality reserve cadres are fairly young, and they have a certain amount of general cultural and specialized knowledge. However, because of the limitations of their work environment and the undiversified nature of their duties, most of them lack practical tempering. They lack practical experience in being responsible for leadership and for the comprehensive handling of complex problems. In order to ready them to meet the demands of their future positions and a large number of complex new situations and new problems, they must become immersed in and summarize practice. General methods must be suited to specific circumstances to enable minority nationality reserve cadres to undergo tempering through practice in many regards as the requirements of their future positions may require. First is early assignment to taxing duties. Reserve cadres who still occupy relatively low positions must be given a certain amount of taxing work to do at once. They must carry certain leadership duties and bear a certain amount of

leadership responsibility in order to accumulate leadership experience, and in order to temper their leadership capabilities. Second is rotational assignments. Cadres should be rotated in different areas, different units, and at different levels. The rotation to different places of minority nationality reserve cadres who have worked in one place for a long time will help them overcome narrow localism and the bad effects of ethnic customs, and it will help nurture a pioneering spirit. Rotation into departments and changes in duties of those reserve cadres who have served for a long time in a single department will provide them opportunities to come in contact and gain familiarity with work in many regards. It will enable them to become more diversified, gradually changing from being "specialists" to being "generalists," improving the adaptability of reserve cadres under different environmental conditions. Reserve cadres lacking work experience at the grass roots level or experience in government organizations should be placed, in a planned, goal-oriented way, in either grass roots or upper administrative organization positions to improve their micro guidance capabilities and their macro regulation and control capabilities, to enrich their leadership experience, and to hasten the maturation of minority nationality reserve cadres.

2. Improvement of minority nationality reserve cadres' political and cultural attributes through multiple channels and multiple ways. Upgrading of minority nationality reserve cadres' political and cultural attributes is a basic need in the building of a minority nationalities reserve cadre corps. The educational level in the province's minority nationalities cadre corps is rather low. The not entirely rational educational composition of the corps must be changed urgently. In the course of training, minority nationality cadre study must be emphasized to widen knowledge and to improve the level of understanding of basic Marxist theory as well as the cultural and scientific knowledge level. First, full reliance should be placed on party schools at various levels, these schools emphasizing the political attributes of minority nationality reserve cadres. Minority nationality reserve cadres should be educated in basic Marxist theories; in the party's nationalities policy, the equality of nationalities, and the unity of nationalities; and in upholding the leadership of the party, and ardent love for the socialist motherland to increase minority nationality reserve cadres' understanding of political theory, to teach them how to use the Marxist standpoint, concepts, and methods in analyzing and solving problems that occur in development of the minority nationalities' economy, and to maintain political unanimity with the party and central government. Second is reliance on various kinds of adult cadre schools and institutions of higher education to run both short-term and long-term training classes for minority nationality cadres. Minority nationality reserve cadres can be selected for training or brush up courses, emphasis being placed on improving the knowledge of minority nationality reserve cadres' knowledge of modern science and cultural matters. This is a means of changing the present knowledge imbalance.



in order to train economic and scientific and technical managerial personnel urgently needed for building of the economy in minority nationality areas in order to meet requires for the development of reform, opening to the outside world, and modernization.

3. Minority nationality reserve cadres should be chosen for dispatch to economically developed and coastal areas for on-the-job tempering, observation, and study in the conduct of open style training. Minority nationality areas are located in remote places that have been economically and culturally undeveloped for a long time and closed off from information. As a result, the work methods and the ways of thinking of minority nationality cadres can hardly be expected to meet requirements for the development of minority nationality area commodity economics and the conduct of reform and opening to the outside world. The dispatch of minority nationality reserve cadres to economically developed

areas and to coastal areas for on-the-job tempering, observation, and study is an effective way of training and tempering minority nationality cadres, and accelerating the development of minority nationality area economies. It will help widen the horizons of minority nationality cadres, and help them obtain new ideas, new knowledge, new skills, and new experiences from economically developed areas and coastal areas, thereby enhancing their understanding of commodities, and promoting lateral economic ties among minority nationality areas. One way of selecting the cadres to be sent is to try to organize coordinated teams for collective study that go to counties, cities, and industrial plants to study and observe. Second is an attempt to link training with local realities, i.e., both seeing the degree of economic development of the other party, and also studying the basis for and the level of local economic development so that they can easily assimilate and digest what they have learned.

## PROVINCIAL

### Liaoning Province Releases Budget Report

SK0205020192 Shenyang LIAONING RIBAO  
in Chinese 17 Mar 92 pp 2, 4

["Excerpts" of report on Liaoning's 1991 final accounts and 1992 budget delivered by Ji Yuying, director of the Liaoning Provincial Finance Department, at the fifth session of the seventh provincial people's congress on 8 March]

[Text] Entrusted by the provincial people's government, I will give a report on Liaoning's 1991 final accounts and 1992 budget (draft) to this session for its examination.

#### 1. 1991 Final Accounts

The year 1991 was the first year for implementing the Eighth Five-Year Plan. Under the correct leadership of the provincial party committee, people throughout the province conscientiously implemented the guidelines of the seventh and eighth plenary sessions of the 13th party Central Committee and the central work conference, conscientiously carried out State Council leaders' instructions on Liaoning's work, analyzed the situation to further understand the province's situation, summarized experiences, adopted a series of policy measures to counter the difficulties and problems in financial and economic work, and actively facilitated reform in various fields. Thanks to the concerted efforts of the people throughout the province, the financial and economic situation has taken a turn for the better, and various economic undertakings made new headway. We reaped an all-round good harvest in agriculture and achieved comprehensive development in forestry, animal husbandry, sideline production, and fishery. We carried out in-depth activities of the "quality, variety, and efficiency year," implemented all the policies for improving large- and medium-sized enterprises, and brought about a new turn for the better in industrial production. We achieved progress in clearing up "debt chains" and good results in limiting production to reduce stockpiles of goods. Technical transformation was accelerated. The urban collective economy continued to grow, and township enterprises further developed. We made continuous efforts to open wider to the outside world, the exports of local products increased substantially, urban and rural markets thrived, and prices were stable. Implementation of the budget was better than expected early that year, and deficits declined.

#### A. The Revenue

The revenue budget for 1991, as approved at the fourth session of the seventh provincial people's congress, was 13.3 billion yuan. This budget was brought in line with the revenue quota assigned by the state and the arrangements for the province's major economic targets. The budget changed greatly in the process of its implementation and showed a net increase of 450 million yuan chiefly because the revenue budgets of various cities approved by their people's congresses were larger than

those arranged by the province and because the quota of local revenue to be turned over to higher authorities was reduced after the Anshan Iron and Steel Complex was put under the administration of higher authorities. As a result, the revenue budget was adjusted to 13.75 billion yuan. The province's actual revenue was 13.58 billion yuan in 1991, which was 170 million yuan less than the budget, equivalent to 98.8 percent of the annual budget, and 450 million yuan, or 3.5 percent, more than that in the preceding year.

a. The province's industrial and commercial taxes totaled 13.67 billion yuan, up 1.4 billion yuan, or 11.4 percent, from the preceding year. The increase resulted from the efforts to strengthen the collection and management of taxes and to collect overdue taxes. Little of the increase came from the increase in production and marketing. The income tax and bonus tax of collective enterprises showed a decline compared with figures from the preceding year.

b. The revenue from industrial enterprises totaled 940 million yuan, but the actual amount was 210 million yuan when deducting the revenue from the Anshan Iron and Steel Complex, showing a decline of 150 million yuan, or 41.9 percent, from the preceding year. The vast number of cadres, staff members, and workers on the industrial front throughout the province carried out a great amount of painstaking and meticulous work for the activities of the "quality, variety, and efficiency year" and for deepening reform, invigorating enterprises, putting an end to deficits, and increasing income and economic efficiency. However, due to numerous hidden problems, they failed to change the situation rapidly. This in addition to the implementation of the "three funds" policy for large- and medium-sized enterprises [collecting from large- and medium-sized enterprises 1 percent of their sales income to replenish the circulating funds and 4 percent of their sales volume to serve as new product development funds and raising their depreciation rate], caused a substantial decline in enterprises' profits, leading to a decrease in the profits turned over to higher authorities.

c. Some 1.78 billion yuan were allocated to grain enterprises to help balance their deficits, an increase of 410 million yuan or 30.2 percent over the previous year. The province and 12 cities attained the 1991 yearly targets of giving allocations to grain enterprises to help balance deficits and giving subsidies due to price differences.

d. The revenues of the commercial enterprises across the province were minus 8.64 million yuan, a drop of 30 million yuan or nearly 100 percent from the previous year. Generally speaking, commercial enterprises' profits increased. However, their real profits and the amounts of profits handed over to higher levels decreased because part of the profits were used to make up for the losses of food enterprises and to handle those commodities with problems.

e. The revenues of energy resources, communications, and construction funds amounted to 180 million yuan, 150 million yuan less than the budgeted figure, and a drop of 10.2 percent from the previous year. The revenues of regulatory funds reached 220 million yuan, 160 million yuan less than the budgeted figure and a drop of 13.8 percent from the previous year, primarily because some enterprises had large bills due and some enjoyed tax exemption and reduction. The majority of large- and medium-sized enterprises saw poor economic results and reduced their profits. Thus, the revenues in these two spheres were reduced.

f. The revenues in other areas reached 320 million yuan, 110 million yuan more than the budgeted figure and a drop of 30 million yuan or 9.5 percent from the previous year.

The revenues in some areas increased and in other areas decreased. There were no big changes.

#### B. Expenditures

The budgeted expenditures adopted at the fourth session of the seventh provincial People's Congress were 13.6 billion yuan. The real expenditures of the province were 13.68 billion yuan, fulfilling the fiscal budget by 84.9 percent and showing an increase of 1.45 billion yuan or 11.9 percent over the previous year. The increase in expenditures encompassed a guarantee for stability and key projects and promoted the progress of economic construction and all undertakings.

a. The expenses in capital construction were 1.06 billion yuan, an increase of 210 million yuan or 24.5 percent. Through the overall control over expenses in capital construction and the readjustment of capital construction structure, the province increased the input to agriculture, forestry, water conservancy, energy resources, communications, education, public health, and culture. As a result, some key capital construction projects were put into operation ahead of schedule.

b. The expenses in science and technology (including the expenses in three areas, such as trial manufacturing of new products, intermediate experimentation, and key scientific research; and the expenses in scientific undertakings) reached 290 million yuan. Of this, the expenses in three areas were 150 million yuan, an increase of 20 million yuan or 15.3 percent. The governments at various levels across the province conscientiously implemented the strategic principle of "rejuvenating Liaoning with science and technology," focused their efforts on supporting basic research, gave priorities to agriculture, vigorously developed new industries and new products, and promoted technological progress. In particular, the province attended to the funds for the county-level scientific and technological development. So far, 36 counties across the province have set up county-level scientific and technological development funds. This helped alleviate the strain on capital for agricultural

scientific and technological development. Headway was made in turning scientific and technological findings into productive forces.

c. The expenses in education came to 1.74 billion yuan, an increase of 160 million yuan or 9.9 percent over the previous year. With the financial strain, the province continued to give priority to education. Of this, the expenses in secondary and higher education reached 230 million yuan, an increase of 30 million yuan or 14 percent. The expenses in ordinary education reached 1.51 billion yuan, an increase of 130 million yuan or 9.6 percent over the previous year.

d. The expenses in agriculture (including expenses in supporting the production of rural areas and expenses in developing agricultural forestry and water conservancy projects) totaled 980 million yuan, an increase of 140 million yuan or 17.2 percent. Of this, the expenses in supporting the production of the rural areas totaled 570 million yuan, an increase of 70 million yuan or 14.9 percent. The expenses in agricultural, forestry, and water conservancy projects totaled 410 million yuan, an increase of 70 million yuan or 20.7 percent. The province ensured a stable agricultural development, reasonably readjusted the orientation of input to agriculture, improved the agricultural production conditions, perfected the rural socialized service system, and created favorable conditions for reaping a bumper harvest.

e. The province's administrative spending was 1.06 billion yuan, a 120-million-yuan and 1.8 percent increase over 1990. Of this increase, major items include new subsidies for grains and cooking oil for increased personnel and subsidies for newspaper, haircuts, and traffic expenses for them, which totaled 60 million yuan.

f. Subsidies for price hikes reached 2.52 billion yuan, a 20-million-yuan and 0.7 percent increase over 1990. The subsidies for price hikes were brought somewhat under control chiefly because the state upgraded the sale prices of grains and cooking oil, and various localities relaxed restrictions on the prices of meat and vegetables. Thus, a number of subsidies were reduced because hidden subsidies became open ones.

#### C. The Balance Between Revenues and Spending

The province's 1991 financial revenues reached 14.56 billion yuan, the special funds appropriated by the state and state subsidies of settling accounts reached 4.89 billion yuan, the surplus of last year reached 210 million yuan, and other funds allocated to the province reached 150 million yuan. All fund sources in the province totaled 19.81 billion yuan. The province's financial spending reached 13.68 billion yuan, expenses handed over to the state reached 5.75 billion yuan, contributions made by the province to the state reached 220 million yuan, the increased circulation funds reached 60 million yuan, and the special funds that were not spent in the year and had been put off to 1992 reached 2.4 billion yuan. The province's deficit in 1991 decreased from 1.92



billion yuan set in the budget in early 1991 to 1.1 billion yuan at the end of the year, showing an 8.2 percent decrease over 1990.

By proceeding from the whole situation of stabilizing the economy and curtailing the slump of economic results, the financial and tax affairs departments throughout the province earnestly managed the financial and tax affairs in line with the law in 1991, vigorously promoted production to increase economic results, and did a great deal of work in fulfilling the budget goals. They earnestly implemented state policies and measures of boosting large- and medium-sized enterprises; helped enterprises provide "three funds" for the state, deal with their leftover problems, improve their second-round contracting systems, promote their technical renovations, and vigorously conduct their work of switching losses to profits and clearing up the "debt chain"; created a fine external environment for enterprises; and enhanced their management over financial and tax affairs and vigorously organized financial revenues. In consolidating key enterprises that owe taxes, these departments established the "special institutions" in charge of transiting the tax debts among large- and medium-sized enterprises and recovered various financial revenues in a timely manner. They also carried out the mass inspection of tax revenues, financial affairs, and commodity prices; scored better achievements in the work of consolidating the "three arbitrary collections"; strictly enforced discipline over the economy and financial affairs; blocked various tax evasions; recovered 310 million yuan from law violations through the mass inspection; and further deepened the financial reform. After the measures issued by the state with regard to raising the prices of grains and cooking oil, financial departments at all levels actively assisted the departments concerned in vigorously grasping grain business and management and in promoting their work of increasing incomes and reducing losses. They vigorously encouraged counties that had received subsidies to reduce the subsidies and to create a 100 million yuan income. To realize targets of the Eighth Five-Year Plan, financial departments at all levels increased their investments in enterprises at county and township levels to 170 million yuan under very difficult conditions. In coping with the chaotic situation in the financial management of rural areas, they cleared up and consolidated areas; investigated and handled a large number of cases concerning discipline violations; and enabled the economic order in rural areas to achieve an upturn. Various localities brought the social purchase power under strict control by earnestly implementing the guideline of curtailing expenses and blocked the extravagant practices of taking tours with public funds, hosting banquets and presenting gifts, and issuing subsidies and articles. All of these have played an active role in promoting the development of the economy and other undertakings and curtailing the gap between revenues and expenses.

## 2. The 1992 Budget

The national economy is achieving stable development in 1992 after the three-year program of improving the

economic environment and rectifying economic order. The people throughout the province are thoroughly implementing the spirit of the CPC Central Committee's work conference and of the Seventh and Eighth Plenary Sessions of the 13th CPC Central Committee as well as the tasks put forward at the fifth session of the seventh provincial party committee. Various principles and policies formulated by the central authorities and the provincial party committee will certainly have a tremendous influence on improving the province's current economic situation and even bring about a turning point in the province's finances.

However, because of restrictions caused by various inconsistencies in economic performance, the financial situation cannot improve markedly in a short time. It is very difficult for us to devise this year's revenue and expenditure budgets under such circumstances. The budgets are planned according to the work priorities set by the state on "carrying out this year's financial work in close connection with economic development, guaranteeing supply, raising efficiency, deepening reforms, managing finance in line with law, and strengthening management," guided by one "leading aspect," four "strategic priorities," and one "important link" for economic development set by the provincial party committee and the provincial government, and in line with our province's national economic and social development plan of this year.

### A. Financial Revenue

The whole province's 1992 revenue budget will be 14.21 billion yuan, an increase of 630 million yuan, or 4.7 percent, over the previous year.

a. Under the arrangement, the industrial and commercial tax revenue will be 14.16 billion yuan, showing an increase of 740 million yuan, or 5.5 percent, over the previous year if the default of payment in taxes of Anshan Iron and Steel Company is excluded. Of this, the product, value-added, and business taxes will be arranged at 10.94 billion yuan, up 660 million yuan, or 6.5 percent, over the previous year.

b. The revenue of industrial enterprises will be arranged at 150 million yuan, a decline of 60 million yuan, or 27.1 percent, from the previous year. If the previous year's default of payment of 100 million yuan by Anshan Iron and Steel Company is excluded, the actual industrial revenue arrangement is only 50 million yuan. We have given consideration to the factor of revenue decrease caused by a reduction in the income tax rate of 30 large- and medium-sized enterprises and have made no arrangements for the leftover problems of the annual industrial revenue of previous years.

c. Under the arrangement, the refund to cover the deficits of grain enterprises will be 1.58 billion yuan, which is arranged in line with the state distribution task, a decline of 190 million yuan, or 11 percent, from the previous year. According to this year's estimate, the deficits will be 1.69 billion yuan. Grain enterprises



should strive to increase income and reduce expenditure, cut expenditures on all sorts of funds and operational deficits, and strive to avoid new defaults in payments during the year.

d. The revenue of energy and communications construction funds will be 200 million yuan, up 20 million yuan, or 11.2 percent over the previous year; and the revenue of budgetary regulatory funds will be 240 million yuan, up 20 million yuan, or 7.1 percent, over the previous year.

Other revenues have been determined under a normal situation.

In addition, we have also made arrangements to sell 2.48 billion yuan in treasury bonds which the state has assigned to our province. This year, no sales will be assigned to units and individuals. We will mainly adopt economic means to promote the sales of state treasury bonds and will fulfill the task.

#### B. Financial Expenditure

In provincial financial expenditures, we will uphold the retrenchment principle and will have guarantees and curtailments. The whole province's expenditures will be 14.72 billion yuan, up 1.04 billion yuan, or 7.6 percent, over the previous year. This arrangement has guaranteed the wages of workers and all sorts of subsidies for residents, given greater emphasis to expenses for key industries, and cut expenses in some areas. In general, the arrangement is very tight.

a. The expenditure on local capital construction projects will be 930 million yuan, a decline of 130 million yuan, or 12.3 percent, from the previous year, which is arranged in accordance with the national economic plan of the whole province.

b. The agricultural expenditure (including expenses for supporting rural production, and for agricultural, forestry and water conservancy operating funds) will be 1.06 billion yuan, up 90 million yuan, or 8.8 percent, over the previous year. We have also readjusted the expenditure structure and increased input in productive projects. Of this, the expenditure on supporting rural production will be 640 million yuan, up 70 million yuan, or 12.4 percent, over the previous year; and the agricultural, forestry and water conservancy operating funds will be 420 million yuan, an increase of 20 million yuan, or 3.7 percent, over the previous year.

c. Scientific and technological expenses (including the funds for three aspects—new product trial production, intermediate experimentation, and subsidies for important scientific research—and operating funds for scientific undertakings) are 320 million yuan, an increase of 30 million yuan, or 10.6 percent, from the preceding year. Of the total, the funds for the three areas are 180 million yuan, up 30 million yuan, or 19.2 percent, from the preceding year. To turn scientific and technological achievements into productive forces rapidly, 20 million yuan are to serve as a foundation for the transformation

of scientific and technological achievements. Development of new industries will be supported, traditional industries will be renovated with high and new technology, and the adjustment of product mix will be accelerated.

d. Education funds are arranged at 1.86 billion yuan, up 120 million yuan, or 7.1 percent, from the preceding year. Of the total, 240 million yuan go to higher education, up 5.3 percent; and 1.62 billion yuan to ordinary education, up 7.1 percent or 110 million yuan.

e. Administrative funds are 1.1 billion yuan, up 40 million yuan, or 3.9 percent, from the preceding year.

f. Expenses for price subsidies are 2.26 billion yuan, down 260 million yuan, or 10.3 percent, from the preceding year.

#### C. Balance Between Revenue and Expenditure

In planning the budget, some positive measures for increasing revenue and reducing expenditures have already been adopted to reduce deficits. According to the aforementioned plan for revenue and expenditure, the province's revenue is 14.21 billion yuan in 1992. This in addition to the special state allocation, which is expected to be 2.19 billion yuan, the surplus from the preceding year and funds from other sources, totaling 130 million yuan, and carry-over from the budget of the preceding year, totaling 2.25 billion yuan, makes the total revenue 18.78 billion yuan. The province's expenditure was 14.72 billion yuan in 1992. This plus 4.81 billion yuan to be turned over to the state makes the total expenditure 19.53 billion yuan. Balancing the revenue and the expenditure shows a deficit of 750 million yuan (500 million yuan from the province and 12 cities). In view of this, all levels in the province should adopt measures to greatly increase revenue and reduce expenditure to lower deficits to a minimum and to strive to achieve a balance.

#### 3. Develop the Economy, Broaden the Sources of Revenue and Reduce Expenditure, and Strive to Fulfill the 1992 Budget

The current economic situation of the province is improving, but enterprises and financial departments face serious difficulties. In carrying out work in the future, we should see both the difficulty in overcoming difficulties and the favorable conditions for resolving them. The economy decides on finance, and economic development is the prerequisite for financial development. In carrying out financial work, we should take the overall situation into consideration, keep long-term interests in view, and support the recovery and development of the economy so as to cultivate financial resources and increase financial strength.

A. We should actively implement the various policies for improving large- and medium-sized state enterprises and pay close attention to enterprises' endeavors to put an end to deficits and increase profits so as to improve their economic efficiency.

State policies and measures for improving large- and medium-sized state enterprises represent an important opportunity and favorable conditions for Liaoning's enterprises to change their condition of being "outdated in three aspects and poor in two aspects" and to regain vigor. We should implement these policies and measures to the letter to invigorate enterprises. Regarding the enterprises which are supposed to implement the "three funds" policy, we should conduct inspections to make sure that those which fail to pay funds due are urged to pay them. This year, we should organize pertinent departments and localities to help 100 large deficit producers to put an end to their deficits and increase profits. The deficits of the industrial and commercial enterprises throughout the province should be reduced by 20 percent from last year. To transform the operating mechanism of enterprises, supporting reforms should be made successful. We should select 40 enterprises to try out the reform of the planning system, the supplies of raw materials, the personnel and labor system, the internal distribution system, and the foreign trade, financial, tax, and monetary systems.

**B. We should further increase agricultural input and actively support agricultural development.**

The eighth plenary session of the 13th party Central Committee put forward that "agriculture is the basis for economic development, social stability, and state independence." All localities and departments should actively raise funds to improve conditions for agricultural production and to further strengthen the foundation status of agriculture. It is far from enough to mainly rely on state investment to reinforce this economic basis of agriculture. It is necessary to establish a scientific and rational agricultural investment system and form an investment mechanism with state investment playing a guiding role, supplemented by collective investment, and with peasant investment and labor as the mainstay. This year financial departments at all levels should support the province to reclaim 170,000 mu of wasteland, improve 610,000 mu of farmland of low or medium yield, afforest 90,000 mu of land, and expand 490,000 mu of water-irrigated land. We should actively support the application of scientific research findings in the agricultural sector and fully display the role of science and technology in developing Liaoning. The arranged agriculture-oriented funds covered or not covered by the budget must be managed well and put to good use. We should do a good job in tracking and feeding back the utilization efficiency of funds after they have been issued, and enable the agriculture-oriented funds to be used with the greatest efficiency.

**C. We should strengthen the building of county-level financial units and promote county and township economic development.**

Governments at all levels should consider developing the county, township, and village economy and improving the outlook of county financial units as one of the important tasks in making a rapid improvement in the

province's financial and economic situation; fully display the role of cities in administering counties; take advantages of local resources; and make good and sufficient use of all reform and opening-up policies formulated by the state and the province. Financial departments at all levels should do a good job in helping county financial units withdraw and supply circulation funds. This year the provincial financial department will issue 50 million yuan for developing enterprises in counties, towns, townships, and villages, and for them to use in circulation; all cities and counties should also raise funds through various channels and further develop the county, town, township, and village economy in an effort to enhance their financial and economic strength. It is necessary to further implement the Eighth Five-Year Plan on building counties each with a financial revenue of 100 million yuan, reducing the subsidies for counties requiring subsidies, and helping some of them stop taking subsidies and become financially self-sufficient. We helped six counties stop taking subsidies last year, and this year we will help four more end subsidies.

**D. We should conscientiously implement all reform measures, accelerate the reform pace, and expand the reform's dynamics.**

We should continue the experimental work of separating taxes and profits, and sum up experience for popularization. All sorts of subsidies have become a heavy financial burden which must be cleared up and consolidated. Efforts should be made to sum up the experience of decontrolling the prices of meat, eggs, and vegetables and end subsidies in a planned manner. We should further improve the relationship between the grain purchasing and selling prices and the operational links, explore ways to change the method of issuing subsidies covertly to that of open reform of the grain purchasing and marketing system and the financial system, actively reform the housing system and social welfare benefit system, do a good job in managing special funds, and try our best to reduce the financial burden. We should investigate the fixed assets and verify the total value of state fixed assets used by units and enterprises step by step, continue to reform the medical insurance system, further study and try out the tax distribution system, and promote reform of the financial system.

**E. We should strengthen tax revenue collection and management work, persist in managing taxes in line with law, and strictly control tax reduction or exemption.**

Governments at all levels should further strengthen this work. All tax departments should persist in managing taxes in line with the law and strengthen tax collection and management. All taxpayers should improve their knowledge of the legal system and consciously safeguard the sanctity of the state tax law. Tax evasion and failure to strictly enforce the law are quite common, and cases of people refusing to pay taxes have occurred frequently. We should strictly and conscientiously handle these cases, prevent enterprises from recklessly delaying tax payments to the state, and charge them an extra sum for delaying the tax payments. It is necessary to strictly

control tax reduction or exemption and promptly resume tax collection when the period of tax reduction or exemption expires.

We should particularly strengthen the collection and management of taxes from the three types of foreign-funded enterprises, private enterprises, and individual enterprises to prevent the use of tax payments for other purposes and tax evasion. We should strengthen the collection and management of the four types of agricultural taxes to check arbitrary reduction and exemption of farmland use tax. Starting with the support for production, we should promote production to increase income to ensure that the revenue increases steadily and enterprises' capacity for turning over profits and taxes to higher authorities is enhanced continuously.

F. We should manage and use extrabudgetary funds even better.

Most extrabudgetary funds derive from the budget. Governments at all levels should formulate corresponding managerial methods to manage and master extrabudgetary funds and give play to their role on the premise that the ownership and use right of the funds remain unchanged.

G. We should strictly control expenditures and practice austerity.

We should create a budget with tight expenditures and truly lead an austere life, implementing the principle of "first feeding the people and then building the country." We should first arrange well the endeavor to feed the people and then give priority to key projects of economic development. We should make resolute efforts to reduce expenses for nonproductive projects and administrative expenses. We should continue to improve the method of fixing administrative expense quotas of cities and put them under the management of the province. In addition, we should appraise and decide on the expenditure budget of various departments and units according to their size and staff and make them responsible for fulfillment of the quota. We should strictly control institutional purchases, the number of meetings, and the expenses on meetings.

H. We should strengthen financial supervision and promote the endeavor to build a clean government.

Governments at all levels should attach great importance to and fully perform their function of financial supervision. They should inspect and supervise state organs, enterprises, and institutions to make sure that they act strictly in accordance with state financial and tax laws and accounting systems. They should resolutely check the practice of deception, false deficit reports, false profit reports, fraud for the purpose of obtaining subsidies, arbitrary issuance of bonuses, allowances, and materials, and the practice of turning public property into private property. They should conscientiously implement the "state regulations for budget management" and act according to the budget procedures. Budgets at all levels should be strictly implemented once they are approved by the people's congress, and no unauthorized reduction

in revenue and increase in expenditure and unauthorized retroactive increase or reduction in the budget is permitted. Governments at all levels should strengthen leadership over financial and tax work. Finance and tax departments at all levels should step up efforts to improve themselves, raise the quality of their cadres, carry forward the good tradition of managing money matters honestly and collecting taxes according to law, conscientiously perform their duties, and make financial and tax work successful.

The province's 1992 revenue and expenditure tasks are very arduous, and it is very difficult to achieve a balance. Painstaking efforts are needed to fulfill the tasks. In line with the requirements of the central work conference and the fifth session of the seventh provincial party committee, we should mobilize the people throughout the province, achieve unity in thinking, raise spirit, carry out an arduous struggle, and work in a down-to-earth manner to successfully fulfill the 1992 budget tasks.

### Liaoning Report on Economic Development

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["Excerpts" of report made by Zhao Xinliang, director of the Liaoning provincial planning commission, at the fifth session of the seventh provincial people's congress on 3 March on the draft of the province's 10-year program and the Eighth Five-Year Plan, on the implementation of the 1991 economic and social development plan, and on the draft of the 1992 plan]

#### [Text] 1. Implementation of the 1991 Plan

Under the correct leadership of the provincial party committee and the provincial people's government over the past year, various localities, departments, and social circles throughout the province actively carried out their work and made achievements in dealing with the problems and contradiction occurring in the economic work by earnestly implementing a series of policies and measures given by the CPC Central Committee and the State Council on improving the economic environment, rectifying economic order, and deepening the reform, and by following the tasks and targets discussed and approved at the fourth session of the seventh provincial People's Congress on implementing the "1991 plan" for economic and social development. Particularly through the three-year improvement and rectification, inflation has been brought under control, the price index has gradually declined, and economic activities have tended toward normal. Judging from the whole situation, the province fulfilled its major targets in the national economy and realized 107 billion yuan of gross national product, a 5.5 percent increase over 1990 calculated in terms of comparable prices. Its national income reached 855 billion yuan, a 4 percent increase over 1990 calculated in terms of comparable prices. Its total industrial and agricultural output value reached 212.49 billion yuan, an 8.6 percent increase over 1990. The province reaped a



bumper grain harvest and its rural economy achieved overall development. It gradually achieved a turn for the better in product sales and overfulfilled the industrial and communication production plan. Township enterprises and collective-owned enterprises in both urban and rural areas showed large-scale improvement. The province readjusted the structure of investments in fixed assets and its economic results from investments began to rise again. Exports and the utilization of foreign capital achieved greater development, and the pace of opening to the outside world was accelerated. Local financial revenues and expenses increased, and banking and insurance undertakings achieved steady development. The province's market sales and the incomes of urban and rural people stably increased. It better fulfilled the targets in the plans for science and technology, education, culture, and public health.

The aforementioned fact has shown that the start made in the first year of the Eighth Five-Year Plan period was not bad and that the implementation of the plan was better than what was anticipated in early 1991. The province's national economy is developing along a favorable orientation, which is the main trend. However, the deep-rooted contradictions hindering the province's economic development have not been totally dealt with, and they are as follows. 1) The agricultural infrastructures are weak and their capability in combating natural disasters is not strong. The system of centralized and decentralized management in rural areas is not perfect enough, the socialized service system needs to be enhanced, and the work of accelerating the development of township enterprises is meeting some new problems. 2) The readjustment of industrial structure and products mix is slow. The problem of enterprises' technologies and equipment being outdated is prominent, and tasks for technical renovations are relatively heavy. The situation of industrial production and product sales not being brisk and economic results being low has obviously not been changed, and the strained financial situation is still relatively serious. 3) Commodity circulation links are not smooth enough, and the market development is not perfect. 4) The strength for deepening internal reforms in enterprises is insufficient, and the phenomena of running the whole show instead of conducting management and of carrying out extensive business and chaotic management still exists. The managerial mechanism of enterprises needs to be transformed and improved urgently. 5) The combination between scientific research and production is not sufficiently strong, the proportion of turning scientific and technological results into productive forces is on the lower side, and many problems in the "work of having science and technology make the province prosperous" need to be resolved.

## 2. The Formulation of "Liaoning Province's 10-Year Program of Economic and Social Development and the Eighth Five-Year Plan"

After the fourth session of the seventh provincial People's Congress discussed and approved in principle the outlines (draft) of "Liaoning Province's 10-year plan of economic

and social development and the Eighth Five-Year Plan," we have begun to formulate in line with this document "Liaoning Province's 10-year program of economic and social development and the Eighth Five-Year Plan (draft)" (which is abbreviated as "draft" below). Prior to the formulation, we enriched and improved the "outlines" in line with the opinions given by deputies at the discussion. In formulating the draft plan, we also took the following factors into consideration. First, in line with the major targets set by the state planning commission for various provinces in the Eighth Five-Year Plan, we readjusted and improved the province's 10-year program and the Eighth Five-Year Plan.

Second, the party Central Committee and the State Council have been concerned about Liaoning's economic development. Last year, leading comrades of the State Council made inspection tours in our province on many occasions and gave important directives on our province's economic work. After October, the central authorities and the provincial party committee successively held a work conference and a plenary session to make overall plans on how to successfully run large and medium-sized enterprises and on how to strengthen agriculture and do a good job in rural work. These new tasks must be added to the "draft." Third, after more than three years of efforts, our province basically fulfilled the major improvement and rectification tasks. In the days to come, we should place the work priorities on deepening reforms, expanding the scale of opening to the outside world, readjusting structure and improving efficiency. The "draft" will manifest the spirit of the party Central Committee which calls for "bolder efforts in reforms and opening to the outside world and still bolder and more resolute efforts in implementing the principles and policies defined since the Third Plenary Session of the 11th party Central Committee, following the measures on reform and openness which have proved effective, and paying greater attention to actual results." Fourth, under the leadership of the provincial party committee and the provincial government, the upper and the lower levels across the province were deeply mobilized to conscientiously sum up our province's 10 years of economic work experience and lessons and gained a deeper understanding of the provincial situation. Meanwhile, we further predicted the prospects for development during the last four years of the Eighth Five-Year Plan period. These provided an important basis for formulating the "draft." Fifth, during the past year, leaders of the upper and the lower levels across the province, specialists, scholars, veteran cadres, and men of insight from all sectors proposed many pertinent opinions and suggestions for the "draft," some of which were incorporated in the "draft."

The "draft of Liaoning Province's 10-year plan of economic and social development and the Eighth Five-Year Plan," which has now been submitted to deputies



for examination and discussion have the following priorities:

In deepening our understanding of the provincial situation, we conscientiously studied and understood the guidelines of the directives given by leading comrades of the party Central Committee and the State Council, acted in line with Liaoning's reality, and recognized not only the advantages and achievements but also the difficulties and problems, while analyzing the reasons for the current problems, we recognized not only the objective reasons but also the subjective reasons. In addition to stressing the importance of paying attention to internal factors, we especially emphasized learning the internal root causes and we clearly defined that Liaoning's failure to push its economy forward was mainly caused by the subjective reasons. In terms of guiding ideology and strategic priorities, based on the four existing strategic priorities of agriculture, transformation of old bases, township enterprises, and opening to the outside world, we stressed the important link of playing science and technology in the lead and invigorating circulation and we made continued efforts in reforms. This made our province's guiding ideology for economic construction more scientific and perfect, met the needs of socialist production and the change of Liaoning's economic development strategy, and further guaranteed the realization of the four strategic priorities.

In terms of comprehensive balance and arrangements of projects, and in the process of formulating the "draft," we organized relevant departments to make analysis and appraisals in line with the overall demands of the state, and made an estimate of keeping the plans on the development rate. We made balanced product output and investment scale in five aspects, which are energy, water resources, transportation capacity, funds, and foreign exchange, analyzed the contradictions between supply and demands in various aspects and methods to solve shortages, and made appropriate readjustment in the relevant directives in line with the needs and possibilities. This included the national economic comprehensive targets and the output targets of major products, large and medium-sized construction items, and above-quota technological transformation items. We readjusted the growth rate of GNP and national income in a fact-seeking manner, readjusted the annual average increase in power capacity during the Eighth Five-Year Plan period, strengthened the building of trans-county highway sections in key townships and towns, and paid attention to developing medium-sized and small ports.

Maintaining the framework of the "outlines," the "draft" consists of six parts. The first part, "basic guiding principles and major goals to fight for," summarizes the achievements and problems in the economic construction of the 1980's, dialectically analyzes the current situation of the province, sets forth the major goals and basic tasks of Liaoning's economic and social development for the next 10 years and the Eighth Five-Year Plan period, and defines the orientation for the change in the economic development strategy and some

important principles that should be adhered to. The second part, "the focuses and geographical layout of economic development," first sets forth the goals of agricultural development and measures to ensure it and the principles, focuses, and major targets of the economic development of counties (districts), townships (towns), and villages. It then expounds the orientation for and focuses of the development of industry, transportation, and other trades, the principles, scope, and structure of the investment in fixed assets, the sources of the funds, and arrangements for opening to the outside world more rapidly, developing the export-oriented economy, enlivening circulation, developing the tertiary industry, increasing revenues, and enlivening monetary work, and the orientation for the adjustment of the regional industrial structure and the principles and ideas for industrial layout. The third part is "science and technology, education, and cultural undertakings." Regarding science and technology, it emphasizes the idea of placing science and technology in the lead and sets forth the major tasks of scientific and technological development. Regarding education, it systematically maps out the orientation for the development and the major tasks of elementary education, vocational and technical education, higher education, and adult education. Regarding cultural undertakings, it makes arrangements for press and publication, culture and art, books, museums, archives, sports, and tourism. The fourth part is "people's life and social security." Focusing on the important goal of improving people's life to a fairly comfortable standard by the end of this century, it maps out fairly complete plans for urban and rural people's income, consumption level, living environment, medical care and public health conditions, employment arrangements, and social security. In addition, it also sets forth the tasks and goals of family planning and improvement of the quality of the population. The fifth part is "reform of the economic structure." After expounding the basic principles that should be followed in deepening the reform and the goals of the reform, it specifies the contents and tasks of the rural reform, enterprise reform, scientific and technological reform, the cultivation and improvement of the market system, reform of the circulation system, price reform, housing reform, financial and tax reform, and reforms of the monetary system, distribution system, planning system, and investment system. In conclusion, it also puts forward reformatory opinions on strengthening and improving the macroeconomic regulation and control, achieving comprehensive balance, and properly handling the relationship between centralization and decentralization. The sixth part is "strengthening leadership, unifying thinking, raising spirit, working in union, overcoming difficulties, and striving to fulfill the 10-year program and the Eighth Five-Year Plan." It urges the need to comprehensively implement the party's basic line and promote the two civilizations simultaneously, the need to intensify study, enhance understanding, and boost the enthusiasm of all quarters, and the need to improve socialist democracy and legal system.

### 3. Opinions on Arrangements for the 1992 Plan

The arrangements for this year's plan is, with the guidance of the revised Eighth Five-Year Plan, to conscientiously implement the guidelines of the central work conference and the eighth plenary session of the 13th party Central Committee and the various tasks put forward at the provincial party committee's work conference. The general guiding thoughts are to further deepen reform and open wider to the outside world, to continuously attend to the four strategic focuses of agriculture, renovation of the old industrial base, township enterprises, and opening to the outside world, and the important link of circulation while consolidating the achievements in the economic improvement and rectification and playing science and technology in the lead, to put improvement of large and medium-sized enterprises in a prominent position, to further emancipate the mind, to extend the degree of reform, to strengthen enterprise management, to open up the domestic and the world markets, to truly focus economic work on adjustment of the structure and improvement of economic efficiency, and to strive for a bumper harvest in agriculture and an improvement in the industrial sector of the economy and the financial situation.

Based on the aforementioned guiding thoughts, the major goals of Liaoning's economic and social development for 1992 are as follows:

Steady economic growth should be maintained, with GNP increasing by 4 percent and national income by 3.5 percent. The income from the sales of local budgetary industrial enterprises throughout the province should grow by 6 percent, and their deficits should decline by more than 20 percent. Per-capita productivity and the profit-tax rate of industrial funds should increase by 1 percent each, the cost of comparable products and the energy consumption per 10,000 yuan of output value should decline by 1 percent each, and the period for the circulation of industrial circulating funds should be shortened by about five days.

We should strive to make the exports of local products exceed \$3.5 billion.

In terms of comparable standards, local revenue should increase by 4.7 percent over the preceding year and local expenditures by 7.6 percent.

Commodities retail sales of the province should grow by 8.6 percent, and the retail price index should be kept within 6 percent.

Population should be kept within 40.48 million, and natural population growth within 10.4 per 1,000 by the end of the year.

A. We should implement the guidelines of the eighth plenary session of the 13th party Central Committee and further strengthen the fundamental position of agriculture.

To maintain steady agricultural growth, we should comprehensively implement the "decision of the CPC Central Committee on further strengthening agriculture and rural work" adopted at the eighth plenary session of the 13th party Central Committee and the resolution on "strengthening agriculture and rural work and striving to attain Liaoning's second-step strategic objectives for rural areas" adopted at the fifth plenary session of the seventh provincial party committee. We should rationally arrange the acreage for planting cotton and oil-bearing crops on the premise that the areas sown in grain should be maintained at 46 million mu, and the areas sown to wheat should reach 3 million mu, and inter-planting between wheat and other grain and between wheat and soybeans should be expanded to increase per-unit yields. The output of major farm products should be arranged according to normal years, with grain output being stabilized at 15 million tons, cotton output at 60,000 tons, oil-bearing crops at 260,000 tons, meat output at 930,000 tons, and the output of aquatic products at 1.15 million tons.

To attain the aforementioned goals, the investment in agriculture should be increased despite the decrease in the investment in other fields. We should succeed in the overall planning for agriculture, science and technology, and education, carry out the various measures for developing agriculture through the application of science and technology and the promotion of education, facilitate the scientific and technological advances in rural areas, and improve the scientific and educational levels of the vast number of peasants. We should develop the socialized service system for agricultural production, encourage urban and rural areas to cooperate in building bases for the production of farm and sideline products, and improve the services that make production, supply, and marketing a coordinated process and that integrate agriculture, industry, and commerce. We should do a good job in the production and supplies of agricultural means of production, ensure the funds for building warehouses to increase the storage capacity, and conscientiously resolve the difficulty in selling grain. We should strive to reduce the burden on peasants and straighten out the various irrational regulations to protect peasants' enthusiasm for planting grain.

B. We should maintain appropriate growth rates in industrial production and communications work while making effective efforts to adjust the structure and improve efficiency.

In this year's industrial production and communications work, we should accelerate the transformation of the operating mechanism of enterprises, promote technological advances, strive to open up both the domestic and the world market, and conscientiously shift the work focus to adjusting the structure and improving efficiency. We should make overall plans, eliminate the bad and play up the good, and develop our advantages. In machinery and electronic industries, we should develop the products that substitute imports and fill the blanks in the country and, taking advantage of the increase in

investment in the country, succeed in undertaking the production of complete sets of major equipment of the province as well as other provinces, and increase the production of the products for investment purposes and the production of components to maintain the good trend in the exports of machinery and electronic products.

Light and textile industries should put their work emphasis on upgrading product quality, expanding the production of famous trademark and fine quality products, and increasing the variety of new products; should vigorously open markets, should rescue the large number of enterprises, and should strive to enable themselves to be restored to the normal level. Raw material industries should develop new products with intensive and precision work, bring products in excess supply under control, increase the output of products in short supply, enhance their sales, and increase their economic results.

Efforts should be made to enhance the strength of conducting reform, to vigorously shift the managerial mechanism of enterprises, and to further boost large and medium-sized enterprises. The enterprises should implement the "enterprise law" regard the reform in the systems of personnel affairs, labor affairs, distribution, and insurance, as an emphasis in shifting their managerial mechanism, and make a breakthrough in smashing the "iron rice bowl, iron wages, iron position, and the practice of eating from the same big pot."

Efforts should be made to enhance enterprise management and to implement in a down-to-earth manner the principle of seeking quality and economic results from strengthening management. A good job should be done in upgrading the quality level among key industries and products, enhancing the supervision and inspection, and resolutely dealing blows to the production and sale of forged and subpar commodities. A good job should be further done in ending the "debt chain" and overstocking, promoting sales, in successfully implementing the contracting system for switching losses to profits, and in integrating the work of switching losses to profits with that of closing or suspending production of money-losing enterprises and of merging their production with others.

A good job should be made in earnestly grasping the organization and construction of enterprise groups. Efforts should be made to accelerate the formulation and implementation of policies and measures on enterprise groups so as to enable various industries to comprehend the whole situation; to successfully engage in coordination, to organize or build several larger enterprise groups, including the cement enterprise group, which regard the serial products as leading and able to exert influence, and to enable these groups to gain experience for the province to develop or improve such groups.

C. We should vigorously implement the policies in various fields to promote the healthy development of industries among county districts and rural villages.

Efforts should be made to enhance the guidance over the industrial macro planning of county districts and rural villages and to successfully carry out the enforcement of the "221" demonstration project. We should adopt multiple channels and methods to raise funds to support the industrial development of county districts and townships and make all-out efforts to foster a number of little giant enterprises—ones that turn out minor commodities but have large markets. In line with the principle of commercializing natural resources, we should establish several processing bases of farm and sideline products, meat and poultry, and fruits. Efforts should be made to vigorously develop the export-oriented economy among township enterprises, to successfully build export bases and plants specializing in exports with a "combination" among trade, industry, and agriculture, and to strive to build a number of bases that can turn out high-grade products competitive in international markets and can earn foreign exchange through exports.

We should arouse various forces in society to create fine external conditions for the development of township enterprises. The provincial authorities have selected a number of higher educational institutions and secondary schools to hold independent student enrollment for township enterprises so as to train technical and managerial personnel. Efforts should be made to vigorously open scientific and technological markets, to realistically establish associations between urban and rural areas in this regard, and to encourage the scientific and technological personnel of various kinds and at all levels to go to township enterprises to help them upgrade their technical and managerial levels. We should also accelerate the construction of the highway network and telecommunications facilities at county and township levels to create conditions for developing the economy and enlivening the commodity circulation at county and township levels.

D. We should expand opening and actively utilize foreign capital.

We should seize the new opportunity in which the international political and economic situation is rapidly changing to actively make progress in opening, to make the best use of the situation to guide the opening, and to actively enlarge and develop economic and trade cooperation with foreign countries. A good job should be done in organizing the exports of large quantities of industrial products, bringing into play the enthusiasm of various social circles, and having the foreign trade companies, various departments and cities, and enterprises that have the right to determine their exports cooperate with one another so as to expand the province's opening to a new level.

We should take active, reliable, and effective steps to use foreign exchange and to strive to develop "joint, cooperative, and foreign-funded enterprises." We should step up our efforts to do well our pre-phase work in the utilization of foreign exchange, actively develop contacts with foreign governments and large companies, seek preferential loans from foreign governments, the World



Bank, and Asian Development Bank, and improve the results and level of using foreign capital. It is necessary to fully use the state-approved local fund-raising units and the state banking unit offices in localities and to make good and flexible use of the commercial loan targets.

We should continue to improve the investment environment, further improve the working efficiency and service quality, and run the existing "joint, cooperative, and foreign-funded enterprises" well. At the same time, we should strengthen policy guidance for the supply of foreign capital. In line with the demands of the state industrial policy, we should carry out more advanced scientific, technological, and export-oriented projects, strengthen basic industries better, and combine the acceleration of technological transformation with the increase of foreign exchange through exports.

This year, the nationwide large-scale "Visit China Year" campaign will provide good opportunities for the development of our province's tourist industry. We plan to receive 170,000 overseas tourists, an increase of 15.6 percent over the previous year, and to create \$96 million in foreign exchange through tourism, up 11.4 percent.

**E.** We should rationally arrange the scale and structure of investment in fixed assets and strive to improve the investment efficiency.

The utilization of capital construction investment must reflect the demands of structural readjustment. It is necessary to give priority to guaranteeing the tail-end and continued key projects in an effort to shorten the construction period and to rapidly display the investment efficiency. The provincial-level capital construction investments will be mainly used for farmland and water conservancy projects, scientific and technological education, urban infrastructure facilities, and housing construction. We should actively support counties and townships to develop the economy and we should support projects that produce products with good starting points, advanced technology, and high added-value and are economically efficient, enjoy brisk sales at home and abroad, and yield quick returns.

We should accelerate the pace of housing reform, raise funds from various sectors, strive to improve the housing conditions for urban residents, and suit measures to local conditions to solve the difficult problems in drinking water and transportation means.

In technological transformation, we should conscientiously meet the demands of readjusting the structure and improving efficiency, pay attention to industries that can raise the level of the whole province, and enterprises and products that represent the image of Liaoning, should persist in scientific and technological progress, and should enhance the starting point of technological transformation.

**F.** We should strive to improve the financial situation and improve efficiency in utilizing credit funds.

This year, we should do our financial work in line with our economic capacity, increase revenue, reduce expenditures, cut all expenditures that can be cut, and strive to strike a basic balance in the financial units of all levels and strive to narrow the difference between revenue and expenditures.

In banking work, on the premise of controlling the overall supply, we should further readjust the credit structure, strengthen internal management, continue to steadily increase residents' savings deposits, invigorate the use of funds in reserve, free tied-up working funds, accelerate the circulation of funds, and improve the utilization efficiency of funds.

**G.** We should enliven circulation and make good arrangements for urban and rural markets.

The state-owned commercial enterprises should start with the transformation of the managerial mechanism, bring into play their role as the main circulation channel, positively and actively cooperate with industrial departments in controlling production, reducing the stockpiling of products, and promoting marketing, and try every possible means to expand the marketing of industrial products within the province. We should grasp the opportunity to reap bumper agricultural harvests to pioneer rural markets. We should establish an industrial and commercial information feedback system to regularly report to production enterprises the market trends, market demands, market changes, and consumption tendencies, and to guide enterprises to readjust their structures and organize production according to demand.

We should continuously balance the supply of some products in short supply, make efforts to organize markets for key production means, such as steel products, building materials, nonferrous metals, and chemical industrial products, strictly enforce the state pricing policies, strengthen price management and supervision, calculate and examine the items whose prices should be readjusted under the provincial plan, stop arbitrary price hikes, and realistically ensure the basic stability of the general price level.

**H.** We should make efforts to promote the development of scientific, technological, and educational undertakings and strengthen the improvement of socialist spiritual civilization.

We should organize forces to develop key scientific and technological projects covered in the state and provincial plans, make industrial experiments, and develop new products. We should arrange a group of high and new technology research and development projects focusing on electronic information technology, automation technology, biological technology, newly developed materials, fine industrial chemical technology, energy-saving technology, and environmental protection technology. It is necessary to improve the patent work system, to positively use patent technologies, and to accelerate the pace of popularizing patent technologies among traditional industries. We should further pioneer channels



and systems of turning scientific and technological findings into production, balance the investment relations, and establish a mechanism of investing with risks.

We should continue to grasp basic education, do a good job in readjusting the structures, layers, and special study fields of universities and secondary specialized schools, balance the quotas for recruiting students from various localities, and guarantee the training of specialized talents for the development of the rural economy. We should conscientiously strengthen the management of graduate distribution work.

The development of public health undertakings and the preventive and health care work in the rural areas are the focal points of the public health work.

The 1992 provincial population control task is quite arduous. We must change the orientation of family planning work from simple administration to overall service.

Cultural, radio, television, publication, and archives departments are not only important aspects of spiritual civilization but also key fronts against "peaceful evolution." While giving full scope to their functions, we should also solve the prominent problems occurring in the course of development. In developing sports undertakings, we should consider mass sports as a focal point and appropriately develop competitive sports activities. We should strengthen the establishment of social guarantee undertakings and promote the development of the undertakings for the aged and handicapped.

We should realistically grasp the coordination and management of improving the polluted environment, conscientiously enforce the "Environmental Protection Law" and the provincial regulations on environmental protection, and ensure a harmonious development of environmental protection, the national economy, and society.

1. We should strengthen and improve macroeconomic regulation and control and guarantee the fulfillment of all planned tasks for this year.

The key to comprehensively fulfill this year's national economic and social development plan and to realistically shift economic work to the path of readjusting structure and improving efficiency is to deepen the reform of the economic system. As far as the reform of the planning system is concerned, we should combine the planned economy with market regulation in line with the demands of developing the socialist planned commodity economy, properly handle the relationships between the urban and rural areas, between large and medium-sized enterprises and township enterprises, between transformation and new construction, between rate and efficiency, between immediate and long-term interests, and between production and circulation, unceasingly improve macroeconomic regulation and control, and create a good macroclimate for economic development. The priorities for improving this year's planning work are:

1. Strengthen management over the planning of investment in all of society's fixed assets and gradually establish a rational and effective investment system.

2. Strengthen the capacity of market regulation and control. It is necessary to establish regional, specialized, and comprehensive markets in a planned manner, gradually establish markets for capital goods, agricultural and sideline products, and manufactured goods for daily use, do a good job in coordinating all sorts of markets for the essential factors of production, such as the materials, funding, personnel, science and technology, and transportation markets, and in information services and planned guidance, reinforce and improve the existing system of producing and supplying capital goods, perfect market regulations, and display the active role of market regulation in national economic construction.

3. Improve the planning methods and systems and establish a new system to assess industrial targets. Beginning this year, in line with the demands of paying less attention to the target of total output value and strengthening the target of economic efficiency, we should gradually establish a set of systems capable of reflecting the industrial production scale, the planning and appraisal of the industrial rate and economic efficiency, and the assessment target. We should test the method of considering as the assessment target the sales income, the increased value of industry, the output value of industrial sales, the profit-tax rate of funds, and the "funds tied up by finished products, goods shipped in transit, and by receivable and advance payment for goods." The total industrial output value can only be regarded as the general target and cannot be used as the basis of appraisal and assessment. We should conscientiously conduct investigation and study, further display the role of guidance plans, perfect and popularize the systems for supporting provincial planning and policy decision and other modern management methods, and make the planning work more scientific and full of foresight.

Fellow deputies, with the basic accomplishment of the improvement and rectification tasks and the relatively relaxed economic environment in the whole country, our province's economic situation has developed in a good direction. We should, under the leadership of the party Central Committee and the State Council, further emancipate minds, enhance spirit, change work style, firmly implement our work, seize the current favorable opportunities, accelerate the pace of reform and opening up, concentrate energy on pushing the economy forward, pay attention to solving the long existing problems of lack of coordination between the production structure and the structure of demands and the problem of poor efficiency, and promote a steady and coordinated development in the province's national economy and in all fields of work.

**Liaoning Communique on Economic Development**  
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[Statistical communique issued by the Liaoning Provincial Statistical Bureau on economic and social development of Liaoning Province in 1991, date not given]

[Text] In 1991 the people of all nationalities in the province, under the leadership of the provincial party committee and the provincial government, conscientiously implemented the guidelines of the seventh and the eighth plenary sessions of the 13th party Central Committee, extensively launched the year activity of "improving quality, variety, and efficiency", positively implemented various state policies and measures concerning macroeconomic regulation and control, constantly overcame the difficulties in our way of advance, basically accomplished the task of improving the economic environment and rectifying the economic order, and further developed the entire national economy in a good direction. Agricultural production saw an overall bumper harvest, industrial production picked up steadily, investment and consumption structures improved further, technological transformation was accelerated, the scale of opening up was expanded constantly, markets were brisk, commodity prices were stable, and people's living standards improved somewhat. New achievements were scored in science-technology, education, culture, public health, and sports. According to initial statistics, the province's gross national product was 107 billion yuan, and national income was 85.5 billion yuan, respectively showing an increase of 5.5 percent and 4 percent over 1990 if calculated in terms of comparable prices. The province's total industrial and agricultural output value was 212.49 billion yuan, up 8.6 percent over 1990. This made a good beginning for carrying out the Eighth Five-Year Plan. However, some deep-rooted contradictions, which hampered the economy from developing, were not relieved completely, and the task of pushing the national economy into a benign cycle remained very arduous.

#### 1. Agriculture

All localities in the province further strengthened leadership over agriculture, kept stability of various economic policies in rural areas, increased agricultural input through diverse channels, extensively launched the activity of invigorating agriculture by applying scientific and technological achievements, went all out to build farmland irrigation works, improved conditions for agricultural production, and perfected the socialized service system. Additionally, thanks to the appropriate natural conditions and weather, agriculture, forestry, animal husbandry, sideline production, and fishery went up in an all-around way, and the rural economy developed in a sustained way. In 1991, the total product of the rural society was 79.3 billion yuan (calculated in terms of the prices of the same year and the same below), an increase of 12.7 percent over 1990. Of this, the total agricultural output value was 29 billion yuan, up 3.2 percent over 1990. Of the total agricultural output value, output value of the cropping was 15.6 billion yuan, up 3.2 percent,

and that of forestry, animal husbandry, sideline production, and fishery was 13.4 billion yuan, up 3.1 percent.

A bumper harvest was reaped in agricultural production, and output of all major agricultural products increased. Grain output surpassed 15 million tons, a record high. In 1991 the gross grain output was 15,324 million tons, 377,000 tons more than 1990. Output of wheat and paddy rice increased on a relatively large margin. Output of such cash crops as cotton, oil-bearing seeds, and beans all registered a substantial increase. A relatively good harvest was also reaped in vegetable and fruit.

Output of major agricultural products was as follows:

|                      | 1991                | Percentage increase over 1990 |
|----------------------|---------------------|-------------------------------|
| Grain                | 15,324 million tons | 2.5                           |
| Of which: Paddy rice | 4,018 million tons  | 7.5                           |
| Corn                 | 8,486 million tons  | 4.5                           |
| Wheat                | 498,000 tons        | 12.4                          |
| Cotton               | 42,000 tons         | 206.0                         |
| Oil-bearing seeds    | 203,000 tons        | 16.2                          |
| Beans                | 186,000 tons        | 17.8                          |
| Cured Tobacco        | 79,000 tons         | -0.4                          |
| Silkworm cocoons     | 24,000 tons         | -0.5                          |
| Vegetable            | 8,935 million tons  | 3.9                           |
| Fruit                | 1,011 million tons  | 0.2                           |

The production and construction of forestry made new headway. In the year, 183,000 hectares of land were afforested and the quality of afforestation showed further improvement. New progress was achieved in "three preventions"—prevention of forest fires, prevention of insect pests and reckless felling, and prevention of arbitrary hunting.

Production of animal husbandry grew steadily, with the output of meat, poultry, eggs, and milk increasing continuously. Meat output totaled 1,043 million tons in the year, up 15.3 percent from the preceding year.

The output of major animal products and livestock was as follows:

|                                  | 1991                | Percentage increase over 1990 |
|----------------------------------|---------------------|-------------------------------|
| Meat                             | 1,043 million tons  | 15.3                          |
| Of which:                        |                     |                               |
| Pork                             | 823,000 tons        | 13.1                          |
| Beef and mutton                  | 65,000 tons         | 58.5                          |
| Milk                             | 168,000 tons        | 16.7                          |
| Pigs slaughtered                 | 8.63 million head   | 8.5                           |
| Year-end figure of pigs in stock | 11,377 million head | 4.0                           |
| Year-end figure of large animals | 3.26 million head   | the same                      |

Production of fish continued to grow. The annual output of aquatic products totaled 1.13 million tons, up 7.2 percent from the preceding year. Of the total, the output of marine products was 1.08 million tons, up 7.2 percent, and that of fresh-water aquatic products 70,000 tons, up 6.1 percent.

Agricultural investment increased. The annual local expenditure in support of agriculture totaled 550 million yuan, up 10.1 percent from the preceding year, agricultural loans issued by banks and credit cooperatives totaled 8.71 billion yuan, up 12.8 percent, the supplies of materials for agricultural use, such as chemical fertilizer, pesticides, and plastic sheets, were better than in the preceding year, and notable results were achieved in developing agriculture through the application of science and technology, with some achievements of agricultural science and technology further disseminated and applied and with fine crop strains, standardized cultivation, rational application of fertilizer, and plastic sheet mulching applied in larger areas. By the end of the year, the total power of the province's farm machines was 9.878 million kilowatts, it had 183,000 small and medium-sized tractors and 30,000 trucks for agricultural use, its cultivated land totaled 2,519 hectares, up 6.6 percent from the preceding year, its amount of chemical fertilizer applied (in terms of 100 percent effective composition) was 851,000 tons, up 4.5 percent, and its rural power consumption totaled 5.48 billion kilowatt hours, up 7.5 percent. Construction of farmland water conservancy projects was accelerated and maintenance of water conservancy projects, transformation of low- and medium-yielding farmland, and control of soil depletion made new headway.

Nonagricultural undertakings continued to develop in rural areas. The annual output value of nonagricultural undertakings, such as industry, construction, transportation, commerce, and catering service, totaled 50.3 billion yuan, up 17 percent from the preceding year, and its proportion in the total output value of rural product rose from 61.1 percent to 63.4 percent.

Major problems in agriculture lay in the weak infrastructural facilities for agriculture, the poor capacity for resisting natural disasters, the dual management system in rural areas whereby unified management was combined to independent management which had yet to be perfected, the socialized service system which had yet to be further strengthened, and some localities' weak collective economic strength, impeding circulation of farm products, and difficulties in the purchases and sales of farm products.

## 2. Industry

In industry, we conscientiously implemented the series of policy measures for improving large and medium-sized state enterprises, carried out the "quality, variety, and efficiency year" activities, actively adjusted the product mix, accelerated technical transformation, opened up domestic and world markets, improved the quality and increased the variety of products, and raised efficiency, thus enabling industrial production to pick up steadily, to get out of the slump, and to make new improvement.

The annual industrial output value totaled 182.49 billion yuan (calculated in terms of 1990 constant prices, similarly hereinafter), an increase of 9.5 percent over the previous year. Of this, the output value of industrial units at and above the township level totaled 150.94 billion yuan, an increase of 7.2 percent over the previous year. Among the industrial units at and above township level, the output value of state industrial units reached 108.25 billion yuan, an increase of 4.2 percent, and that of the collective industrial units reached 34.74 billion yuan, an increase of 12.9 percent. Of this, the output value of township industrial units totaled 10.34 billion yuan, an increase of 21.6 percent, the output value of other industrial units of various economic sectors totaled 7.95 billion yuan, up 29.3 percent, and the output value of industrial units at and below the village level totaled 31.55 billion yuan, an increase of 22.3 percent over the previous year.

With the upturn of investment, consumption, and export demands, the production of basic industries in the heavy industrial sector such as machinery, building materials, energy, and metallurgical industry, steadily increased, and the production of the light and textile industries took a turn for the better. During the year, the output value of heavy industry amounted to 107.64 billion yuan, up 8.6 percent over the previous year, and that of the light industry, 43.3 billion yuan, up 3.9 percent over the previous year. The readjustment of industrial product mix, the development of new products, and the updating and upgrading of products were all strengthened. Industrial enterprises developed 4,906 varieties of new products during the year, 3,368 of which were put into production. The production of major raw materials, energy, building materials and some machinery and electrical products such as steel, rolled steel, ethylene, sulphuric acid, caustic soda, nonferrous metals, power output, cement, machine tools, and vehicles all showed improvement over the previous year, and marketable light and textile products also increased at varying degrees. Because some restriction measures were applied to those products whose production was restricted by the changes of market demands, the production of some products declined at varying degrees from the previous year.



The output of the major industrial products was as follows:

|                                      | 1991                           | percentage increase<br>over the previous<br>year |
|--------------------------------------|--------------------------------|--|
| Raw coal                             | 51,790 million tons            | 1.3  |
| Crude oil                            | 13,742 million tons            | 0.4  |
| Electricity                          | 44.18 billion kwh              | 2.2  |
| of which<br>hydroelectricity         | 4.62 billion kwh               | 13.5   |
| Pig iron                             | 12,348 million tons            | 7.1  |
| Steel                                | 12,199 million tons            | 3.6  |
| Rolled steel                         | 9,780 million tons             | 3.5  |
| Ten nonferrous<br>metals             | 385,000 tons                   | 1.8  |
| Textile cloth                        | 712,000 tons                   | -4.5   |
| Cement (42.5)                        | 294,000 tons                   | 3.8  |
| Sulphuric acid                       | 813,000 tons                   | 0.4  |
| Plate glass                          | 10.176 million<br>weight cases | 2.2  |
| Cement (100% pure)                   | 183,000 tons                   | -17.8  |
| Chemical intermediate                | 14,000 tons                    | 0.6  |
| Metal cutting<br>machine tools       | 17,000 tons                    | 0.6  |
| Vehicles                             | 42,000                         | 72.1   |
| Chemical fibers                      | 158,000 tons                   | 1.3  |
| Chalk                                | 620 million meters             | -4.5   |
| Woolen Fabrics                       | 17,000 million<br>meters       | -4.0   |
| Silk fabrics                         | 79,816 million<br>meters       | -3.0   |
| Sugar                                | 34,000 tons                    | 4.3  |
| Raw silk                             | 2,313 million tons             | 78.2   |
| Cigarettes                           | 421,000 cases                  | -16.8  |
| Machine-made paper<br>and paperboard | 721,000 tons                   | -6.9   |
| Tele-voice sets                      | 596,000                        | -48.2  |
| of which Color<br>television sets    | 311,000                        | -29.1  |
| Household<br>refrigerators           | 118,000                        | -28.2  |
| Electric fan                         | 425,000                        | -0.8   |
| Tape recorders                       | 562,000                        | -36.7  |
| Household washing<br>machines        | 293,000                        | -12.3  |

The quality of industrial products improved. In 1991, 97 percent of the major industrial products turned out by key enterprises, which were assessed, had their quality improved in a stable manner, and the output value generated by high-quality products accounted for 35.1 percent of the total. At the national industrial product quality assessment, 10 of our province's products won state golden quality prizes and 30 won state silver quality prizes.

On the basis of registering a stable rise in production after a fall, the reduction of economic results of enterprises for two consecutive years was preliminarily brought under control, the profits and taxes increased by 16.7 percent, the number of money-losing enterprises was reduced by 0.7 percent, the energy consumption per 10,000 yuan worth of industrial output value rose from 3.67 tons in 1990 to 3.62 tons, and the per capita labor productivity rose by 2.3 percent. Along with the wide progress of the work of "restricting the production of unready marketable products, reducing the stockpiling of products, and promoting the sales of products" and "clearing up debt chains," the funds tied up by finished products, goods shipped in transit, and receivable and advanced payment for goods were reduced each month in the second half of the year. At the end of 1991, the enterprises with industrial and commercial bank accounts reduced the funds tied up by these three factors by 3.38 billion yuan from the figure at the end of June. Of this, the funds tied up by finished products were reduced by 2.13 billion yuan and those by goods shipped in transit and receivable and advanced payment for goods were reduced by 1.25 billion yuan. However, the situation of excessive funds tied up by these three factors was not fundamentally improved.

The major industrial production problems were: 1. production structure and the product mix were readjusted slowly. No noticeable changes took place in the situation of low economic results. The enterprise internal reform was not carried out deeply. The enterprise managerial mechanism was not fundamentally changed. A considerably large number of enterprises, particularly large and medium-sized enterprises, failed to enliven themselves.

### 3. Transport, Post and Telecommunications

Transportation volume continuously increased, the transportation structure was readjusted, and the transportation order was further improved. The volume of cargo handled by various transportation means reached 173.5 billion ton-kms, an increase of 8.8 percent over the previous year. Of this, the volume of cargo handled by railways within the districts under the jurisdiction of the province reached 97.6 billion ton-kms, an increase of 3.5 percent, that by roads reached 17.1 billion ton-kms, an increase of 26.7 percent, that by the civil aviation within the districts under the jurisdiction of the province reached 49.58 million ton-kms, an increase of 1.3 times, and the volume of transportation through oil pipelines reached 16.9 billion ton-kms, a drop of 1.1 percent. The port goods transportation volume reached 60.634 million tons, setting a record and showing an increase of 13.3 percent. Of the total goods transportation volume, the foreign trade export volume reached 32.825 million tons, accounting for 69 percent of the total and showing an increase of 13.7 percent. Through reconstruction and construction, Yingkou port has stood among the 14 coastal big ports and become an important open port of the country. The volume of passengers handled by various transportation means rose by 7.5 percent over the

previous year. Of this, the volume of passengers handled by railways within the districts under the jurisdiction of the province increased by 1.4 percent, that by roads increased by 9.4 percent, that by waterway increased by 0.7 percent, and that by civil aviation within the districts under the jurisdiction of the province rose by 1.6 times. The port passenger transportation volume reached 3.83 million persons, an increase of 16.1 percent. Through readjustment of railway transportation charges, the railway transportation income increased by 7.8 percent, the railway transportation efficiency was improved, the daily average production volume of railway freight transportation locomotives was 878,000 ton-kms, an increase of 2.3 percent, and the road transportation income of the communications departments increased by 13.5 percent. The situation that the economic results of transportation enterprises continued to decrease was changed.

Postal and telecommunications service was raised to a new level. The annual postal and telecommunications business transactions totaled 1.08 billion yuan, up 28.3 percent from the preceding year. Post and telecommunications became more "modern, light, and fast." Modern means of telecommunication, such as program-control telephones, facsimile, digital transmission, paging machines, and mobile telephones, developed rapidly. In postal service, 11.265 million pieces of express mail were delivered, up 14.5 percent from the preceding year, and 282,000 pieces of registered express mail were delivered, up 39.6 percent. In telecommunications service, 102 million domestic long distance telephone calls were made, up 33.5 percent from the preceding year; international telephone calls and Hong Kong and Macao telephone calls grew by 41.1 and 33.8 percent respectively, and facsimile business rose by 66.6 percent. By the end of the year, urban telephone subscribers totaled 757,000, up 109,800 from the year-end figure of 1990; and rural telephone subscribers totaled 122,000, up 10,900. Telecommunications capacity further improved. By the end of the year, 14 cities, 39 counties, and 374 towns and townships of the province were capable of long distance domestic and international telephone direct dialing service.

Major problems in transportation, postal, and telecommunications service were the seriously outdated transportation equipment and shortage of capacity for telecommunications, especially long distance exchanges and transmission. Such a situation was incompatible with the needs in economic development and the opening of the Liaodong peninsula.

#### 4. Investment in Fixed Assets and Construction

In conformity with the transformation of the old industrial base, demand for investment in fixed assets grew notably in the province, and the investment pattern was adjusted. The annual amount of the fixed asset investment made by the province totaled 10.96 billion yuan, up 17.8 percent from the preceding year. Of the total, investment made by state units stood at 26.07 billion yuan, up 19.6 percent; investment made by urban and rural collective units 2.02 billion yuan, down 8.8 percent,

and investment made by urban and rural individuals 2.87 billion yuan, up 23.9 percent.

In capital construction, we made particular efforts to increase the investment in basic industries, such as energy and raw material industries, transportation, telecommunications, and agriculture, and in scientific research, social undertakings, and housing construction. The annual amount of the investment made by state units in capital construction came to 12.81 billion yuan, up 20.9 percent from the preceding year. Of the total, investment in energy and raw material industries, transportation, post, and telecommunication stood at 7.47 billion yuan, up 11.2 percent; that in agriculture, forestry, and water conservancy projects 340 million yuan, up 3.7 percent; that in scientific research, culture, education, public health, broadcast, welfare, and other social undertakings 1 billion yuan, up 28.5 percent, and that in housing construction 1.7 billion yuan, up 33.3 percent. In the year, 1,413 capital construction projects were completed and commissioned, and fixed assets increased by 9.71 billion yuan, both showing an increase over the preceding year.

Construction of key projects was expedited. In the 81 state large and medium-sized capital construction projects and the key projects of the province, 7.55 billion yuan were invested in the year, accounting for 59 percent of the capital construction investment made by state units and equivalent to 102.1 percent of the annual quota. Of the total, 2.5 billion yuan, equivalent to 104.5 percent of the annual quota, was invested in the nine large and medium-sized projects organized by the state to be completed within a reasonably defined construction span. In the year, eight large and medium-sized projects and 16 single-item projects were put into operation.

We witnessed a turn for the better in the investment in enterprise technological transformation and ended the three-year decline. During the year, the investment in updating and upgrading equipment of the state units reached 8.79 billion yuan, an increase of 28.6 percent, and the proportion of investment for this purpose to the investment in the fixed assets of all state units rose from 31.4 percent to 33.8 percent. Of this, more investment was made in metallurgical, energy, machinery, chemical, and light industries, and they respectively reached 1.53 billion yuan, 830 million yuan, 770 million yuan, 740 million yuan, and 720 million yuan, or an increase of 4.1 percent, 13.8 percent, 44.7 percent, 34.1 percent, and 25.5 percent over the previous year. Judging from the usage, the orientation of using investment was further improved. Investment in buying facilities totaled 4.39 billion yuan, up 41.7 percent, and the proportion of investment for this purpose rose from 45.7 percent in the previous year to 50 percent. Investment in raising product quality, increasing product patterns and varieties, saving energy, and improving the "three industrial wastes" amounted to 2.39 billion yuan, up 42.6 percent over the previous year; and the proportion of investment for this purpose to the proportion of investment in

updating and upgrading productive projects rose from 28.6 percent in the previous year to 31.1 percent. During the year, a total of 2,817 projects to update and upgrade equipment were completed and commissioned, and the rate of projects completed and commissioned reached 65.1 percent, up 14 percent over the previous year; and the newly added fixed assets totalled 7.55 billion yuan.

The additional production capacity and efficiency resulting from the investment in the fixed assets of state units included 838,000 kilowatts of electricity, 1.3 million tons of iron ore, 370,000 tons of steel, 1,801,000 tons of petroleum, 130,000 tons of ethylene, 165,000 tons of plastics, 560,000 tons of cements, 2.416 million weight cases of plate glass, new or expanded port handling capacity of 960,000 tons, 153,000 urban telephone switchboards, tape water supply capacity of 100,000 tons daily, and houses with a total floor space of 11.834 million square meters. A batch of food processing facilities, grain depots, cold storage for commercial use, and environmental protection, urban administrative and living facilities were completed and commissioned.

With the increase in the demand of investment in fixed assets, the situation of the building industrial enterprises running under capacity was alleviated, and their production, management, and efficiency improved gradually. During the year, the output value created by state building enterprises totalled 8.26 billion yuan, an increase of 6.4 percent over the previous year, and houses with a total area of 6.818 million square meters were completed, an increase of 7.5 percent over the previous year. The per capita labor productivity rose by 7.2 percent over the previous year.

The major problems existing in the investment in fixed assets and in the building industry were: The investment capacity of rural township enterprises was weakened, resulting in a decline in the investment in collective enterprises; the economic efficiency of the building industry remained low; and the number of money-losing enterprises and the amount of deficits they incurred were quite big.

#### 5. Domestic Market and Commodity Prices

The urban and rural market supply was abundant, and the commodity sales were brisk. During the year, the social commodity retail sales totalled 51.11 billion yuan, an increase of 11.1 percent over the previous year. If the rise in prices was excluded, the actual increase was 6.6 percent, thus basically being restored to the level of normal development. Of the total social commodity retail sales, the retail sales of consumer goods were valued at 46.73 billion yuan, up 11 percent over the previous year. Of this, the volume of retail sales of consumer goods sold to residents totalled 40.26 billion yuan, up 9.9 percent over the previous year, and the volume of retail sales of consumer goods sold to institutions totalled 6.48 billion yuan, up 18.2 percent over the previous year; the retail sales of agricultural capital goods were valued at 4.38 billion yuan, up 12.6 percent over the previous year.

The state enterprises continued to play a key role in the retail sales of commodities, which reached 22.58 billion yuan, showing an increase of 13.8 percent. The proportion of retail sales of commodities by state enterprises in the total commodity retail sales volume rose from 43.2 percent in 1990 to 44.2 percent. That by collective enterprises reached 12.94 billion yuan, an increase of 2.7 percent; that by cooperative enterprises reached 130 million yuan, an increase of 29.6 percent; that by individual enterprises reached 10.88 billion yuan, an increase of 13.5 percent; and the volume of commodities sold by the peasants to nonagricultural dwellers at retail sale prices reached 4.56 billion yuan, an increase of 17.9 percent. The urban and rural trade fair was brisk and the rise in the commodity marketing volume of urban markets was faster than that of rural markets. The volume of retail sales of consumer goods in the rural areas reached 33.25 billion yuan, an increase of 11.7 percent; that in county towns was 6.66 billion yuan, an increase of 17.4 percent; and that of the areas below the county level reached 6.82 billion yuan, an increase of 2.2 percent.

The volume of retail sales of edible commodities was 20.79 billion yuan, an increase of 9.1 percent, that of clothing was 7.43 billion yuan, an increase of 9.7 percent, and that of daily necessities was 16.85 billion yuan, an increase of 14.1 percent. Of the major consumer goods, famous-brand, high-quality, and new commodities became the main consumption trend. The sales of color television sets, videorecorders, tape recorders, cameras, cosmetics, handiwork, gold and silver decorations, fashionable dresses, shoes, and hats increased to varying degrees. The marketing volume of such new electric appliances for household use as refrigerators, stereos, ventilators, thermos bottles, and Karaoke machines doubled or redoubled. The marketing volume of some ordinary traditional commodities, such as cotton, chemical fiber cloths, silks and satins, woolen goods, bicycles, sewing machines, and watches, was reduced to varying degrees.

A sluggish means of production market was basically changed along with the increase in demands. The marketing volume of production means by supply departments reached 19.4 billion yuan, an increase of 30.2 percent. The marketing of steel products was 3.072 million tons, an increase of 50.2 percent; 25,600 vehicles were sold, an increase of 27.3 percent; 2.77 billion yuan worth of machinery and electronics equipment were sold, an increase of 30 percent; the coal marketing volume reached 24.13 million tons, and the cement marketing volume totalled 1.972 million tons.

Under the situation that the economic environment was relatively relaxed, the state successively readjusted the prices of some means of production and the unified marketing prices of grain and oil. This helped promote the development of basic industries, solve the problems that some basic products were sold at relatively low prices, and alleviated the financial burdens. With an ample supply of commodities, the dwellers were calm about consumption, the market prices tended to be



stable, and the retail sales level rose by 4.1 percent. The retail sales prices in the urban areas increased by 4.6 percent and in the rural areas increased by 2.9 percent. The prices of edible commodities rose by 4.8 percent. Of this, the price of fresh vegetables increased by 12.2 percent; that of meat, poultry, and eggs were reduced by 2 percent; that of aquatic products rose by 1.9 percent; that of clothes rose by 3.6 percent; that of daily necessities rose by 1.8 percent; that of books, magazines, and papers rose by 3.6 percent; that of cultural and entertainment articles was reduced by 3.5 percent; that of machines rose by 2.7 percent; that of building materials rose by 0.6 percent; and that of fuel rose by 45.6 percent. The price of agricultural production means rose by 3.1 percent.

In the year, the general cost of living of urban and rural people rose by 5.6 percent from the preceding year. Of this, the cost of living of urban people rose by 6 percent and that of rural people 4.2 percent.

Major problems in the market and commodity prices were the imbalance in the sales between urban markets and rural markets, the weak upturn in the sales of rural markets, the conspicuous structural contradiction in the supply and demand of commodities, and the rather large increase in the index of the cost of living of urban people.

#### 6. Foreign Economic Relations and Trade and Tourism

Fairly great steps were taken in opening to the outside world. In foreign trade, the enthusiasm of foreign trade enterprises were further boosted, and export grew in a sustained manner thanks to the new system whereby units engaged in foreign trade business held the responsibility for their own profits and losses. The total value of the commodities supplied for export was 18.91 billion yuan, up 34 percent from the preceding year. The volume of export was \$5.77 billion, up 3 percent. Of this, the export volume of local products exceeded \$3 billion for the first time and reached \$3.21 billion, up 27.7 percent and an all-time record. Export commodity mix was further adjusted. In the export commodities, the proportion of industrial goods rose from 27.2 percent in the preceding year to 35.5 percent, and that of primary products declined from 72.8 to 64.5 percent. Business efficiency was improved, and import rose notably. The annual volume of import was \$960 million, up 36.5 percent from the preceding year. Import commodity mix was adjusted, with the import of electric and machinery equipment increasing and that of articles for daily use and household electric appliances decreasing.

More foreign capital was brought in steadily thanks to economic and social stability and improvement in the investment climate. A total of 720 contracts for using foreign capital were signed in the year, and the contracted amount of foreign capital was \$920 million, up 8.1 percent from the preceding year. The actual amount of foreign capital used in the year was \$970 million, up 23.4 percent. Direct foreign investment increased substantially. In the year, 575 contracts for direct foreign investment were signed, and the transactions totaled

\$540 million, an increase of 14.4 percent over the preceding year, and the actual amount of direct foreign investment was \$310 million, an increase of 26.3 percent. By the end of the year, the number of the enterprises "in the three forms of ventures" had increased to 1,686 throughout the province, of which 747 had gone into production or opened business. The enterprises "in the three forms of ventures" created 6.2 billion yuan in output value, up 98.1 percent from the preceding year; increased their profits and taxes by 50 percent; and enhanced their export capacity, with their annual export volume totaling \$480 million, up 1.4 times.

New achievements were won in foreign economic and technological exchanges and cooperation. In the year, 84 contracts for technology export were signed, with the transactions totaling \$91 million, up 11.7 percent from the preceding year, 137 contracts for technology import were signed, with the transactions totaling \$110 million, and 250 contracts for foreign construction projects and labor service cooperation were signed, with the transactions totaling \$140 million, and \$88.32 million of transactions were completed, an increase of 4.6 percent over the preceding year.

International tourism developed rapidly. The province received 148,000 tourists from foreign countries, Hong Kong, Macao, and Taiwan who came for sightseeing, visits, and economic and trade activities. The number was 29.3 percent greater than in the preceding year. Foreign exchange earned from tourism totaled \$86.2 million, up 25.5 percent and an all-time record.

Development and construction of the three opening demonstration zones, namely, the Dalian Economic and Technological Development Zone, the Yingkou New Harbor Economic Zone, and the Shenyang Tiexi Industrial Renovation Zone, were accelerated.

Major problems in foreign trade included: The proportion of manufactured products exported was still on the low side, and some products were low in grade, limited in variety and design, and backward in competitiveness.

#### 7. Finance, Banking, and Insurance

Financial revenues increased somewhat. In 1991 the provincial revenues totaled 14.42 billion yuan, 102.1 percent of the budgeted figure, or an increase of 3.3 percent over 1990, after deducting the incomparable factors. By strengthening tax collection and management, taxes from industrial and commercial enterprises totaled 13.67 billion yuan, an increase of 9.5 percent over 1990 after deducting the incomparable factors. In 1991 the provincial expenditures totaled 13.44 billion yuan, up by 10 percent. Of this, the appropriations for scientific and technological projects went up by 14.8 percent, and those for administration operating expenses went up by 16.9 percent.

Banking was relatively stable. Savings deposits of all kinds kept growing relatively rapidly. By the end of 1991, savings deposits in all kinds of banking institutions in the province were 20.64 billion yuan, more than

those at the beginning of the year, or an increase of 24.4 percent. Of this, savings deposits of urban and rural residents were 13.67 billion yuan more than those at the beginning of the year, or an increase of 28.9 percent. To meet the demands of promoting an economic pickup, clearing up "debt chains," supporting enterprises to carry out technological transformation, and increasing purchase of agricultural and sideline products, the province increased various kinds of loans by a relatively large margin. By the end of 1991, various kinds of loans granted by financial institutions in the province increased by 25.05 billion yuan, or 21.9 percent. The structure of loans was improved further. In the increased value of bank loans of all kinds, the proportion of the loans used as circulating funds dropped from 78.5 percent in 1990 to 60.3 percent in 1991, and the proportion of the loans used as fixed assets funds rose from 16.5 percent to 30.3 percent. This played a positive role in speeding up technological transformation of enterprises.

Insurance service continued to develop. In 1991 the premium from domestic and foreign insurance totaled 2.23 billion yuan, up by 26 percent over 1990. Of this, the premium from domestic insurance totaled 2.05 billion yuan, up 25 percent. By the end of 1991, 30,000 enterprises and 4.48 million households in the province bought property insurance, and 15.58 million people bought life insurance. In 1991 domestic property insurance paid out 510 million yuan in indemnities.

Major problems in finance and banking included: Financial difficulties remained serious, financial shortages have not yet been alleviated, the scale of currency issuance was expanded, and a hidden inflation still exist.

#### 8. Science and Technology

New headway was made in science and technology. The people's sense of scientific and technological progress was enhanced obviously, and new achievements were scored in scientific and technological joint research and in scientific and technological development. In 1991 the province achieved success in 3,801 natural scientific and technological research projects. Of those, 1,908 were major ones. In 1991, 36 scientific and technological research findings scored by the province won state-level prizes. Of them, 30 findings won state prizes for scientific and technological progress, four won state invention prizes, and two won state natural science prizes. At the same time, the province speeded up the translation of scientific and technological research findings to productive forces. Of the scientific and technological research findings scored by the province last year, 2,536 have already been directly popularized and applied, with the rate of popularization and application reaching 66.7 percent.

The progress of all sorts of scientific and technological development plans was good, and new progress was made in the "113 project," "spark plan," "bumper harvest plan," and "prairie plan," which aimed at invigorating the rural economy. The "spark plan," which included 197 items, created 810 million yuan in output

value and 280 million yuan in profits and taxes during the year. The scale of agricultural technology group contracts and the rural scientific and technological popularization and service network were further expanded. During the year, 21,000 people joined the agricultural technological contracting program and contracted a total of 1.611 million hectares of land, accounting for 43 percent of the province's total area of cultivated land. New strides were made in using scientific and technological findings to invigorate enterprises. The development of high and new-technology among enterprises, the assimilation of technology, and the updating and upgrading of products were further strengthened. During the year, large and medium-sized enterprises organized the implementation of more than 700 high and new-technology development projects, and most of them were applied to production; enterprises spent 1.85 billion yuan on updating and upgrading products and improving the product quality, an increase of 40.8 percent, thus promoting the readjustment of enterprise product mix and technological progress. Research on policymaking became standardized and scientific gradually, and a number of key research tasks were completed on schedule, producing fairly good social benefits.

Patent work has entered the right track. During the year, 3,423 patent applications of various types were accepted, an increase of 8.5 percent over the previous year, of which the patent applications of enterprises increased 2.5 percent; 313 patent applications were approved, up 4.7 percent over the previous year.

The technology market was constantly brisk. A total of 22,000 technical contracts of various types were signed during the year, and the transaction reached 970 million yuan, up 27.6 percent over the previous year.

Progress was also made in scientific and technological work in service of economic construction and social life. By the end of the year 63 product quality supervision and inspection institutions (stations and centers) were established in various localities across the province. Construction projects to modernize the meteorological sector was further strengthened, the provincial-city- and county-level weather warning systems unceasingly improved, and the promptness and accuracy of weather monitoring and forecasts were further enhanced.

Scientific and technological contingents continued to expand. By the end of the year, the whole province had a total of 1.718 million specialized technical workers of all types, an increase of 47,000 people over the year-end figure of the previous year. Among them, 805,000 people were natural science technical workers, an increase of 30,000 people over the year-end figure of the previous year. Mass scientific and technical activities also witnessed rapid progress.

The main problems existing in the scientific and technological sector were: The scientific and technological development system was not perfect, the proportion of

translating scientific and technological findings into productive forces remained fairly low, and the efforts to combine scientific research with production were not enough.

### 9. Education and Culture

Progress was made in readjusting the structure and improving the quality of educational work. Regular higher educational institutes succeeded in appropriately controlling the teaching scope, and the educational structure was readjusted. Regular colleges and universities throughout the province enrolled 36,000 undergraduates and students in special courses, 15,000 of whom were students in special courses. The total number of students enrolled was 125,000, an increase of 2,000 people over the previous year. Regular colleges and universities and scientific research units enrolled 1,453 postgraduates. The total number of postgraduates reached 4,589.

Secondary vocational and technical education steadily developed. Secondary vocational and technical schools of various types across the province had 347,000 students, accounting for 56.8 percent of the total number of senior middle school students. Among them, 104,000 were studying in regular secondary specialized schools, showing an increase over the previous year; 144,000 were in agricultural and vocational middle schools, an increase of 2,000 students over the previous year; and 9,800 were in skilled worker schools, an increase of 7,000 students over the previous year. Regular senior middle schools across the province had 264,000 students, an increase of 5,000 students over the previous year.

The popularization of compulsory education was further consolidated and enhanced. There were 1.624 million regular junior middle school students and 3.915 million primary school students across the province. The enrollment rate of school-age children was 99 percent, and the rate of primary school graduates continuing their study in secondary schools was 92 percent. On the basis of making primary school education universal, we also made new progress in popularizing compulsory junior middle school education. Schools implementing the compulsory junior middle school education accounted for 48.7 percent of the total number of junior middle schools across the province, an increase of 4.7 percentage point. Special education for mentally retarded or disabled children as well as preschool education were strengthened continuously.

In the rectification of adult education, we paid attention to strengthening on-the-job training, enhancing workers' technical and professional levels, and raising the teaching quality. There were 360,000 people studying in adult higher educational institutions, and secondary and elementary schools, 99,000 of whom were studying in adult higher educational institutions; 77,000 were studying in adult secondary specialized schools, and 184,000 were studying in adult junior secondary schools and adult primary schools. There were 2,288 students studying in adult technical training schools.

Cultural undertakings continued to develop soundly. By the end of the year, there were 96 artistic groups across the province, producing and performing many outstanding plays or operas with themes that reflected modern life, and 6,579 film-projection units, showing films on 320,000 occasions with an audience of 139 million people. Mass cultural activities were further activated and the building of cultural facilities were strengthened. By the end of the year, there were 176 mass galleries and cultural centers, 126 public libraries, and 25 museums throughout the province. Thanks to our efforts to strengthen management over books, newspapers, and periodicals, as well as audio and video products, the quality of publications improved. During the year, 3,603 varieties of textbooks were published, an increase of 827 varieties over the previous year; 242 varieties of magazines and 67 kinds of newspapers were published. Radio and television work was carried out in close connection with the publicity of the party's central tasks, activated the cultural life of the urban and rural people, and witnessed fairly good effect. The number of radio and television transmissions increased over the previous year, and the radio and television coverage rate greatly improved as compared with the previous year.

### 10. Public Health, Sports, and Environmental Protection

Progress was made in public health undertakings, and medical conditions further improved. By the end of the year, there were 7,736 public health organs across the province, of which 1,979 were hospitals. There were 201,000 hospital beds in the province, an increase of 4,000 hospital beds over the previous year, of which 176 were in hospitals, an increase of 2,000 over the previous year. There were 229,000 full-time health workers, an increase of 6,000 over the previous year. Among them, 88,000 were doctors, and 77,000 were senior nurses and nurses, showing an increase of 2,000 and 3,000 people respectively over the previous year. We achieved good results in consolidating the medical market and the style and ethics of medical workers and witnessed improvement in medical order and the quality of medical service. Prevention, health, and quarantine work was continuously strengthened. However, the situation of having poor medical facilities and conditions in some outlying remote mountainous areas in the rural areas had not been fundamentally improved.

Large headway was made in sports. The province's athletics won 176 gold medals in major domestic and world contests in 1991, ranking first among all provinces (municipalities) of the country in the number of medals. Last year, 6 athletes broke world records on 10 occasions, 7 athletes won 16 championships in world contests, 15 athletes created or surpassed 18 Asian records on 21 occasions, 30 athletes won 45 Asian championships, 22 athletes broke 18 national records, and 207 athletes won 115 national championships. The provincial men's soccer team won the championship eight times in a row in the A-group contest of the national first-class league soccer matches. The women's volleyball team and basketball team and the men's basketball team



both ranked first in the national first-class league matches. The mass sports activities were sustained and extensive.

Environmental protection was strengthened continuously. Environmental pollution was brought under control, and in some areas the quality of environment was improved. In 1991 the treatment rate of industrial waste water was 33 percent, 2.8 percent higher than the previous year; the treatment rate of waste gas from production and industry was 57 percent; and the comprehensive utilization rate of industrial solid waste was 27.5 percent. There was a drop in the content of dust and pollutants such as suspended particles in the air of cities. Afforestation and construction of natural reserves were strengthened further.

#### 11. Standard of Living

Living standards of urban and rural residents continued to improve. Data from sample surveys showed that the per capita cash income of urban residents that could be used for living expenses was 1,542 yuan, up 10.2 percent over the previous year, or a real growth of 4 percent if increases in prices were excluded. The annual per-capita expenditure for living expenses was 1,485 yuan, up 10.3 percent over the previous year, or a real growth of 4.1 percent if price increases were excluded. In 1991, the per capita net income of farmers was 896.7 yuan, up 7.2 percent if calculated in terms of comparable standards, or a real growth of 5.3 percent if price increases were excluded. The per capita expenditures for living expenses of farmers were 767 yuan, up 13 percent over the previous year, or a real growth of 9.8 percent if price increases are excluded.

Employment kept increasing in urban areas. In 1991 some 275,000 people were given jobs in urban areas. At the end of 1991, staff and workers in the province numbered 10.325 million, 203,000 more than at the end of the previous year. Of this total, the number of workers employed on a contract basis by state-owned units was 1.128 million, or 108,000 persons more than the previous year. There were 492,000 individual workers in urban areas, 23,000 persons more than the previous year.

The total wage bill for staff and workers was 24.19 billion yuan, up 11.7 percent over the previous year. The annual per capita cash wage of staff and workers was 2,371 yuan, up 8.8 percent over the previous year, or a real increase of 2.6 percent if price increases were excluded.

Living conditions of urban and rural residents further improved. By the end of 1991, the per capita housing area of urban residents rose from 6.3 square meters in 1990 to 6.5 square meters, and that of rural residents rose from 16.5 square meters to 17.1 square meters. The amount of durable consumer goods owned by urban and rural households continued to increase.

Calculated in terms of the sample survey of population changes, at the end of 1991, the permanent population of

the province totaled 39.9 million, or 220,000 persons more than at the end of 1990. In 1991, the birth rate for the province was 12.1 per thousand, a decline of 4.2 permillage point from the previous year, and the death rate was 6.64 per thousand, resulting in a natural growth rate of 5.46 per thousand, a decline of 4.25 permillage point from the previous year. Last year registered the lowest population growth except for 1961.

#### Statistics on Shaanxi Economy for 1991

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[Article by State Statistical Bureau. "Statistical Bulletin on Economic and Social Development in 1991 (27 February 1992)"]

[Text] During 1991, the people of the entire province continued to carry out a policy of improving the economic environment and rectifying the economic order, and of intensifying reform under leadership of the provincial CPC committee and the provincial government. This produced an all-around upturn in the national economy, and a marked turn for the better in production, construction, commodity circulation, and consumption to create a fine beginning for smooth realization of Eighth Five-Year Plan goals. Total supply and demand were substantially in balance throughout the province. Agriculture surmounted serious natural disasters to bring in a relatively good harvest, industrial production increased steadily, investment in fixed assets increased; commercial sales showed a steady upturn, market prices remained calm for the most part, fairly great strides were made in reform, the opening to the outside world continued to expand, and the people's standard of living improved. Basic tasks in improving the economic environment and rectifying the economic order were fulfilled, and main goals substantially realized. New advances were made in various social endeavors including science and technology, education, culture, health, and physical education. Preliminary statistics show a GNP for the province for the year of 41.6 billion yuan, up 7.9 percent from 1990 (growth figured in terms of comparable prices, and the same applies hereinafter); and a national income of 34.22 billion yuan, up 8.8 percent. The main problems in development of the national economy and society are as follows. Fair slow progress in making structural readjustments, and poor economic returns have not yet been turned around, the government's financial difficulties have increased, some deep-seated contradictions in economic and social life have not been completely ameliorated, and both the intensification of reform and the task of promoting development through reform remain very daunting.

#### 1. Agriculture

In 1991, the province's agriculture sustained serious natural disasters, but thanks to the serious attention of leaders at all levels in organizing the broad masses to fight the disasters, the damage they caused was reduced

to a minimum. The rural economy throughout the province turned in a good performance in all-around development.

Gross output value of agriculture for the year totaled 18.34 billion yuan, up 4.4 percent from 1990 including an output value of 11.7 billion yuan for farming, up 1.9 percent, an output value of 1.05 billion yuan for forestry, up 3.1 percent, an output value of 4.02 billion yuan for animal husbandry, up 10.2 percent, an output value of 1.66 billion yuan for sideline occupations, up 7 percent, and an output value of 100 million yuan for the fishing industry, up 12.4 percent.

A bumper harvest of major farm crops. Despite a slight decrease in grain output as a result of the natural disasters, the third all-time bumper harvest was brought in, cotton output increased substantially, and outputs of oil-bearing crops, flue-cured tobacco, silkworm cocoons, tea, and fruits reached all-time highs.

Outputs of Major Agricultural Products

| 1991               |                    | Percent Increase Over 1990 |
|--------------------|--------------------|----------------------------|
| Grain              | 10.47 million tons | -2.2                       |
| Cotton             | 80,000 tons        | 15.4                       |
| Oil-bearing Crops  | 354,000 tons       | 6.0                        |
| Including Rapeseed | 211,000 tons       | 9.3                        |
| Sugarcane          | 87,000 tons        | 58.7 Flue-cured            |
| Tobacco            | 144,000 tons       | 17.1                       |
| Silkworm Cocoons   | 10,871 tons        | 11.0                       |
| Tea                | 4,994 tons         | 9.8                        |
| Fruits             | 801,000 tons       | 29.2                       |

Forestry production made a fine showing. During the year 4,607,000 mu were afforested, down 1.6 percent from 1990. Despite the downturn, the large scale afforested area, the collectively afforested area, and the wet project afforested area all increased tremendously. Adjustments were made in the kinds of forests planted, the percentage of economic forests increasing. The area of quality afforestation and standardized afforestation increased.

Output of Major Forest Products

| 1991              |             | Percent Increase Over 1990 |
|-------------------|-------------|----------------------------|
| Raw Lacquer       | 803 tons    | 17.2                       |
| Yung Oil Seeds    | 19,971 tons | 7.0                        |
| Tea Oil Seeds     | 994 tons    | 40.6                       |
| Walnuts           | 18,153 tons | 7.8                        |
| Chinese Chestnuts | 5,253 tons  | 10.1                       |

The livestock industry saw continued steady development. Throughout the province, livestock production

adhered to a guiding policy of "all-around development, highlighting key areas, optimizing structure, and improving returns." It overcame various difficulties such as a shortage of livestock feed resulting from the removal of price restraints on livestock feed and sustained drought. Consequently, the number of livestock animals and poultry in inventory remained basically stable, and outputs of main livestock products such as meat, eggs, and milk continued to increase.

Output of Major Livestock Products and Numbers of Livestock in Inventory

| 1991                               |              | Percent Increase Over 1990 |
|------------------------------------|--------------|----------------------------|
| Total Meat Output                  | 326,000 tons | 14.6                       |
| Pork Output                        | 436,000 tons | 11.6                       |
| Total Dairy Products               | 245,000 tons | 11.7                       |
| Milk                               | 115,000 tons | 20.0                       |
| Poultry Egg Output                 | 255,000 tons | 18.6                       |
| Sheep Wool Output                  | 5,934 tons   | -1.8                       |
| Poultry Removed From Inventory     | 5,815,000    | 7.8                        |
| Large Livestock Animals (Year-end) | 3,018,000    | -1.1                       |
| Sheep and Goats (Year-end)         | 5,806,000    | -3.2                       |
| Hogs (Year-end)                    | 8,381,000    | 3.2                        |

Output of aquatic products continued to increase. During 1991, all jurisdictions emphasized development of aquatic products production, thus, fishing industry production scored well in a drought year. Aquatic products output for the year totaled 23,000 tons, up 13.8 percent.

Conditions for agricultural production continued to improve. As of the end of 1991, the province had 7.25 billion watts of farm machinery power, 1.8 percent more than in 1990. The effectively irrigated farmland area stood at 19,245,000 mu for a 1.6 percent increase. Chemical fertilizer use for the year (in terms of pure fertilizer) was 759,000 tons, up 11.8 percent. New achievements were scored in the use of science and technology to invigorate agriculture, meteorology units playing a marked role in the use of meteorological science and technology in guiding agricultural production and providing services.

All-around development of the rural economy. Preliminary statistics show a rural gross social output value of 35.57 billion yuan for the year, up 8.9 percent from 1990. This includes a rural industrial output value of 10.52 billion yuan, up 14 percent, a 2.55 billion yuan output value for the construction industry, up 23.4 percent, a 2.15 billion yuan output value for transportation, up 5.8 percent, and a 1.81 billion yuan output value for the commercial beverage industry, up 12.5 percent. Township and town enterprises continued to advance.

their gross output value for the year reaching 19.7 billion yuan in a 16.9 percent increase over 1990. Their gross earnings totaled 19.49 billion yuan, up 16.3 percent. The gross output value of agriculture as a percentage of total gross social output value was 32.1 percent, off 1 percentage point from 1990.

## 2. Industry

Revival of normal growth of industrial production. Product sales rallied gradually, industrial gross output value for the year totaling 49.94 billion yuan in a 12.1 percent increase over 1990. The gross industrial output value of industry at the township level and above was 41.66 billion yuan, up 11.8 percent from 1990. This included 16.73 billion yuan for light industry, up 11.4 percent, and 24.93 billion yuan for heavy industry, up 12.2 percent. For industry as a whole, industries under ownership of the whole people grew 11.1 percent, industries under collective ownership grew 10.9 percent, and other industries grew 23.5 percent. Central government-owned industries grew 19.3 percent, and local government-owned industries grew 11.1 percent.

A series of measures taken by the national government and provincial governments to make large- and medium-sized enterprises perform better further succeeded in increasing the vigor of large- and medium-sized enterprises. The province's 334 large and medium size industrial enterprises had an industrial output value of 23.74 billion yuan for the year in a 10.9 percent increase over 1990. New industrial output value accounted for 52.4 percent of the province's new output value, up 9.3 percentage points from 1990. Development of new products accelerated markedly, the output value of new products for the year rising 88.2 percent over 1990.

The province's industrial product mix was readjusted in 1991, the work of limiting production to reduce inventory showing initial success. Outputs of energy, raw and processed materials, and industrial products to support agriculture saw steady growth, and machinery and electrical appliances showed a relative high rate of increase. Output of slow selling goods such as household electrical appliances and textiles declined markedly. This markedly reduced industrial goods in inventory. Initial statistics as of the end of 1991 show a 3.9 percent decline over 1990 in funds tied up in finished products of industries within budget throughout the province. Nevertheless, the task of readjusting the product mix and reducing inventories remains very important.

### Outputs of major industrial products

| 1991          |                    | Percent Increase Over 1990 |
|---------------|--------------------|----------------------------|
| Cotton Yarn   | 134,000 tons       | 0.6                        |
| Cotton Cloth  | 700 million meters | -4.2                       |
| Woolen Fabric | 5,006,000 meters   | 18.7                       |
| Silk Fabric   | 11,735,000 meters  | 9.4                        |

|                                 |                       |           |
|---------------------------------|-----------------------|-----------|
| Chemical Fiber                  | 21,000 tons           | 80.0      |
| Machino Made Paper & Cardboard  | 847,000 tons          | 7.0       |
| Crude Oil                       | 103,000 tons          | -10.0     |
| Cigarettes                      | 1,473,000 cases       | -0.3      |
| Borghum or Corn Spirits         | 82,000 tons           | 10.8      |
| Beer                            | 1,201,000 tons        | 18.9      |
| Machines                        | 3,711,000             | 23.9      |
| Synthetic Detergent             | 28,000 tons           | -13.3     |
| Household aluminum ware         | 990 tons              | -7.7      |
| Bicycles                        | 1,501,000             | 2.4       |
| Old All Television Sets         | 1,034,000             | -4.0      |
| Colored Television Sets         | 739,000               | 25.9      |
| Tape Recorders                  | 11,000                | -78.8     |
| Cameras                         | 4,000                 | No change |
| Household Washing Machines      | 190,000               | -13.2     |
| Household Refrigerators         | 273,000               | 20.9      |
| Raw Coal                        | 32,893,000 tons       | -1.2      |
| Crude Oil                       | 830,000 tons          | 21.9      |
| All Electric Power              | 16.4 billion kwh      | 0.5       |
| Hydropower                      | 1.63 billion kwh      | 30.8      |
| Pig Iron                        | 488,000 tons          | 34.6      |
| Steel                           | 307,000 tons          | 3.3       |
| Rollled Steel                   | 826,000 tons          | 3.8       |
| Cement                          | 907,000 tons          | 11.3      |
| Plate Glass                     | 1,893,000 heavy cases | 18.8      |
| Lumber                          | 722,000 cubic meters  | -1.1      |
| Sulfuric Acid                   | 348,000 tons          | 14.4      |
| Sodium Soda                     | 53,000 tons           | 3.9       |
| Soda Ash                        | 40,000 tons           | -2.4      |
| Chemical Fertilizer             | 333,000 tons          | 11.3      |
| Chemical Pesticides             | 221 tons              | 8.8       |
| All Metal Cutting Machine Tools | 2,919                 | -9.3      |
| High Precision Machine Tools    | 99                    | 16.4      |
| Motor Vehicles                  | 4,862                 | 1.7 fold  |
| Small Tractors                  | 18,000                | -11.1     |
| Internal Combustion Engines     | 633,000 kw            | 1.0       |
| Color Kinescopes                | 2,824,000             | 69.3      |

Preliminary successes were scored in the "quality, variety, and returns year" campaign, the decline in



industrial economic returns coming to a halt. During 1991, the 1,030 locally operated state-owned industrial enterprises in the province realized a gross output value of 17.06 billion yuan, up 4.2 percent from 1990. Income from product sales totaled 16.03 billion yuan, up 12.89 percent. Profits and taxes realized totaled 1.51 billion yuan, down 11.1 percent, the extent of decline shrinking 13.5 percentage points. Tax and profit payments to the state totaled 1.37 billion yuan, up 9.2 percent. Nonetheless, comparable product costs rose 2.4 percent over 1990, and the number of enterprises losing money remained at 30 percent, their losses increasing 28.9 percent. Readjustment of the industrial structure, improvement of administration and management, and improvement of economic returns remain extremely daunting tasks.

### 3. Investment in Fixed Assets and the Construction Industry

Fixed asset investment demand showed a marked upturn. During 1991, a total of 12.15 billion yuan was invested in social fixed assets provincewide. This was 1.78 billion yuan more than in 1990 for a 17.2 percent increase. After deducting for price inflation, the actual increase was about 4 percent. This included an 8 billion yuan investment in local projects, an increase of 1.27 billion yuan for 18.8 percent growth. Of the total amount of investment provincewide, units under ownership of the whole people invested 8.14 billion, up 10.3 percent; units under collective ownership invested 930 million yuan, up 33.2 percent; and individuals invested 3.08 billion yuan, up 34.5 percent. Capital construction and renovation projects, and technological transformation projects by units under ownership of the whole people totaled 3,891, 431 more than in 1990 for a 12.5 percent increase. Investment in projects under construction totaled 37.7 billion yuan in a 1.2 percent increase over 1990. A total of 1,415 capital construction and renovation projects, and technological transformation projects were completed and went into production throughout the province.

The pattern of investment continued rational, both basic industries and basic facilities being strengthened. Of the total investment by units under ownership of the whole people, investment in agriculture totaled 140 million yuan, up 12.4 percent from 1990 in a rise from 1.7 to 2 percent of total investment; investment in energy industries totaled 2.14 billion yuan, up 35.1 percent in a rise from 26.8 to 30 percent of total investment; investment in transportation, posts and telecommunications industries totaled 810 million yuan in a 28.6 percent increase, up 28.6 percent in a rise from 11.2 to 11.4 percent of total investment; investment in the cultural, educational, and scientific research sectors totaled 610 million yuan, up 27.3 percent in a rise from 12.0 to 12.6 percent of total investment. Of the total investment in renovation and technological transformation, the percentage of investment in improvement of product quality, energy conservation and reduced consumption, and cleaning up the "three wastes" (waste water, waste gas, and industrial

residues) rose from 8.9 to 12.5 percent. The percentage of investment used to increase output declined from 37.9 to 37.2 percent.

Key construction advanced fairly rapidly, some projects being completed and going on stream. Key capital construction projects under ownership of the whole people totaled 35 in number, with 1.89 billion yuan invested in them for the year in overfulfillment of annual plan. The completion and going on stream of a number of projects and facilities having important production capabilities and social benefit stimulated the development of the province's national economy. These included large- and medium-sized projects and above-norm projects such as the Lueyang Power Plant expansion project, the Shitou He Reservoir, the Ankang Hydropower Plant, 206 Institute, the Yangsen Pharmaceutical Company Ltd., Xianyang Airport, importation of digital instrument technology for the Xian Instrument and Apparatus Plant, a 300,000 ton catalytic cracker for the Yanan Petroleum Refinery, and a 20,000 ton caustic soda production line for the Xian Chemical Plant. In addition, projects substantially completed or that have gone into partial production included major ones such as the Yaoxian Cement Plant No. 5 kiln project, the Ankang Hydropower Plant No. 2 generating unit, the Wei He Power Plant second phase expansion project, the Han Jiang Steel Mill iron-smelting project, the Xian-Yanan Railroad, and the Shaanxi Historical Museum. Newly added major production capacity in units under ownership of the whole people included: an electric power unit installed capacity of 328,000 kw, 200,000 tons of iron smelting, 25,000 tons of cement, 20,000 tons of coal mining, 10,000 tons of natural petroleum extraction, 14,000 tons of synthetic ammonia, 20,000 tons of caustic soda, 4,600 tons of chemical fertilizer (converted to full strength terms), 60,000 television sets, 25,000 sewing machines, 7,700 tons of machine-made paper and cardboard, granaries having a 74.2 million kilogram capacity, and 3,000 municipal telephone automatic exchange lines. Nevertheless, results from investment have not markedly improved. The utilization rate for fixed assets handed over in the province was 54.5 percent, and the on-stream rate for completed projects, and the completion rate for the housing construction area was 36.4 and 40.4 percent respectively for different degrees of decline from 1990.

Construction industry production rallied. Construction businesses under ownership of the whole people provincewide showed a gross output value of 3.09 billion yuan for the year, up 5.9 percent from 1990. The labor productivity rate for all personnel was 13,831 yuan, up 7.2 percent; nevertheless, economic returns showed no marked improvement; project costs rose, and enterprise losses increased.

New advances were made in geological survey and prospecting work. During 1991, the geology system either newly discovered or verified 10 industrial mineral production sites. Five kinds of mineral reserves were

newly discovered, 84,000 meters of machine core borings were completed, and 62 geological reports of various kinds presented.

#### 4. Transportation, and Posts and Telecommunications

Marked achievements were made in the building of basic communications and transportation facilities in 1991. A total of 420 million yuan was invested in railroad construction during the year for the building of 207 kilometers of new railroad lines, and the renovation of 653 kilometers. The province's second limited access, complete interchange, high grade highway, the Xian-Xianyang Airport highway for class 2 motor vehicles was linked together. The largest civil airport in the northwest, Xianyang Airport, went into operation, thereby improving air transportation capacity.

Communications and transportation developed steadily. Total passenger and freight transportation turnover volume via all forms of transportation increased steadily, railroad and air transportation developing relatively rapidly with the increase in transportation capacity.

**Passenger and Freight Turnover Volume Via All Forms of Transportation**

| 1991                       |                                    | Percentage Increase Over 1990 |
|----------------------------|------------------------------------|-------------------------------|
| Passenger Turnover Volume: | 21.63 billion passenger kilometers | 7.1                           |
| Railroads:                 | 13.59 billion passenger kilometers | 12.0                          |
| Highways:                  | 6.2 billion passenger kilometers   | -6.0                          |
| Water:                     | 0.1 passenger kilometers           | No change                     |
| Air:                       | 1.83 billion passenger kilometers  | 27.1                          |
| Freight Turnover Volume:   |                                    | 4.9                           |
| Railroads:                 | 4.092 billion ton kilometers       | 5.4                           |
| Highways:                  | 7.37 billion ton kilometers        | 2.2                           |
| Water:                     | 20 million ton kilometers          | -5.3                          |
| Air:                       | 30 million ton kilometers          | 14.8                          |

Railroad and air transportation earnings increased. 1991 railroad transportation earnings increasing 7.8 percent over 1990 for a 1.3 fold increase in profits. Civil air transportation earnings were 27.8 percent higher than in 1990.

Posts and telecommunications continued to maintain a fairly high speed of growth, the posts and telecommunications industry doing 380 million yuan worth of business for the year in a 25 percent increase over 1990. This

included 140 million yuan for government posts, up 17 percent; 210 million yuan for the telecommunications industry, up 29.8 percent; and 30 million yuan for the peasant telephone (nonghua 6593 6114) business, up 33.7 percent. The postal express, special delivery, and facsimile transmission business grew tremendously. City telephones were 91.6 percent of the automatic dialing kind, and business earnings were up 31.7 percent over 1990 in an 11.8 percent profits increase.

#### 5. Domestic Business and Materials Supply

Domestic market commodity sales returned to normal. Social commodity retail sales for the year totaled 20.34 billion yuan, up 10.3 percent from 1990 in a return to a normal growth level. This included consumer goods retail sales totaling 17.66 billion yuan, up 10.6 percent. Retail sales to social groups totaled 2.39 billion yuan in a 17.8 percent increase. Retail sales of the agricultural means of production totaled 2.68 billion yuan, up 8.1 percent.

City and rural markets showed a trend toward upturn. During 1991 urban markets throughout the province tended to flourish while the economy remained stable. Retail sales of social consumer goods for the year totaled 10.22 billion yuan, up 12.1 percent from 1990. The upturn in markets at the county level and below accelerated, social consumer goods retail sales for the year totaling 7.44 billion yuan in an 8.8 percent rise.

All economic type businesses saw full development. In 1991, retail sales of enterprises under ownership of the whole people throughout the province totaled 8.51 billion yuan, accounting for 41.8 percent of total retail social commodity retail sales volume in the province. Retail sales of units under collective ownership totaled 6.9 billion yuan, or 33.9 percent of the total. Retail sales of jointly owned units totaled 10 million yuan or 0.1 percent of total retail sales. Retail sales of the individual economy totaled 2.95 billion yuan, or 14.5 percent of total retail sales. Peasant retail sales to residents totaled 1.97 billion yuan, or 9.7 percent of retail sales.

Substantial advances were made in reform of the commodity circulation system. Provincial government promulgation of "Decisions on Various Problems in Further Invigoration of Commodity Circulation" lay important groundwork for improvement of the commodity circulation climate, and for transformation of the business enterprise operating mechanism. Price restrictions were removed on more than 750 commodities throughout the province; 2,289 check points were dismantled, and the substitute discount tax system (daikoushui zhi 0198 2099 4451 0455) was changed for marked effect. These changes were affirmed by the state and earned the praise of fraternal provinces and cities.

Economic returns from businesses jointly owned with the state took a turn for the better, their profits and taxes increasing over 1990, and the number of business concerns showing losses and the amount of losses declining markedly.

Momentum toward an upturn in means of production markets increased. The province's goods and materials system sold 4.62 billion yuan worth of the means of production, 16.1 percent more than in 1990. This included 890 million yuan in sales of machinery and electrical devices, up 36 percent. Sales of steel products—the main means of production—totalled 81,000 tons in a 16.3 percent increase over 1990. Cement sales totalled 808,000 tons, up 5.5 percent, copper sales totalled 6,554 tons, up 46.1 percent, motor vehicle sales totalled 10,033 vehicles, up 20.1 percent, coal sales totalled 4.53 million tons, down 4.6 percent, and lumber sales totalled 598,000 cubic meters, down 10.7 percent. Materials retailers throughout the province improved sales, expanded markets, increased the number of network outlet points, and increased their market share to make the most of their role as main channels.

The pace of price reform picked up, market prices remaining substantially steady. In 1991, the state began a readjustment of prices of grain and edible oil sold to city and town residents, and it also adjusted in succession the price of petroleum and petroleum products, railroad freight shipments, iron and steel, pharmaceuticals, and farm machines. It removed price restrictions on all commodity retail sale prices except for wheat flour rations, pharmaceuticals, and chemical fertilizer. Although these events had a certain effect on market prices, because of the rather solid and painstaking work done in various regards, market retail prices throughout the province were held within plan goals. In 1991, the overall retail price level in the province rose 5.8 percent over the previous year. The main changes in market retail prices were as follows: food prices increased quite a bit; prices of clothing, daily necessities, and fuel rose; country fair trade prices remained fairly stable; and fees collected for services rose 11.8 percent. Cost of living expenses of both city and rural residents rose 6.6 percent.

Price Changes for Various Commodities and Services

| 1991                                 | Percent Increase Over 1990 |
|--------------------------------------|----------------------------|
| Food                                 | 8.7                        |
| Grain                                | 29.5                       |
| Meat and Egg                         | 3.0                        |
| Fresh Vegetables                     | 2.7                        |
| Aquatic Products                     | 5.1                        |
| Tobacco, Spices, and Tea             | 0.2                        |
| Cakes and Pastries                   | 1.2                        |
| Clothing                             | 6.3                        |
| Daily Necessities                    | 2.3                        |
| Pharmaceuticals and Medical Supplies | 2.0                        |
| Fuel                                 | 14.8                       |
| Agricultural Means of Production     | 0.8                        |
| Services                             | 11.8                       |

## Foreign Economic Relations and Trade, and Tourism

Foreign trade system reform spurred development of foreign economic relations and trade, both exports and imports showing sustained growth. Imports and exports for the year totalled \$814 million, up 40.9 percent from 1990. This included exports totaling \$605 million, up 31.4 percent. The composition of exports improved further, the percentage of mineral product and finished goods exports rising. Exports included \$160 million worth of machinery and electrical products in a 36.1 percent increase over 1990. Imports totalled \$109 million, up 78.7 percent.

Use of foreign capital expanded further, and the foreign trader investment mix was fairly rational. In 1991, \$160 million of foreign investment was used. This was 37.5 percent more than in 1990. It included the use of \$60 million in various forms of credit, up 1.3 fold, and the taking in of \$50 million in direct foreign investment and other investment. At year's end, the province had 216 three kinds of partially or wholly foreign-owned enterprises, 90 of which had been built and gone into production (began operation).

International tourism showed further upturn. During 1991, Shaanxi received a total of 310,000 overseas Chinese tourists, visitors, sightseers and people engaged in various exchange activities, compatriots from Hong Kong, Macao, and Taiwan, and foreign tourists, 19.8 percent more than in 1990. This included 238,000 foreigners, up 54.5 percent. Foreign exchange earnings from tourism totalled 290 million yuan (the renminbi equivalent of foreign exchange), up 47.9 percent.

## 7. Science and Technology

The giant strides taken in science and technology propelled the development of productivity and great scientific and technical achievements. In 1991, 550 different major scientific and technical achievements were scored, 16.0 percent more than in 1990. This included 17 international firsts, and 73 achievements at the international advanced level. It also included 174 domestic firsts, and 280 achievements at the domestic advanced level. Twenty scientific and technical achievements in the province won national scientific and technical progress awards, five won spark awards, and 155 won provincial scientific and technical progress awards.

In October 1991, the exceptionally grand Sixth All-China Invention Exhibition was held in Xian at which Shaanxi Province took 96 awards including 11 gold medals, 35 silver medals, and 50 bronze medals. Shaanxi Province took awards in six of 11 categories at the fair, thereby fully demonstrating the province's scientific and technical prowess.

As of the end of 1991, the province had 73 product quality supervision and inspection stations, including 14 national level inspection centers. During the year, 77 province-level standards of various kinds were drawn up. Mapping departments completed 5,736 topographic



scale maps of various kinds and published 56 different overtly published maps. The province had 15 manned seismology stations, and 229 sites in a public seismological detection and prevention network.

Patents saw rapid development. During 1991, 1,323 patent applications were filed in the province, 33.1 percent more than in 1990, and 566 patents were issued.

The science and technology corps became stronger. In 1991, the province had a total of 314,000 technical personnel in the system of ownership by the whole people, up 2.4 percent from 1990.

### 8. Education and Culture

Rational readjustments were made to the higher education system. As of the end of 1991, the province had 47 regular institutions of higher education with an annual enrollment of 1,906 graduate students, up 6.1 percent from 1990. Graduate students attending school numbered 5,699, down 0.3 percent. A total of 27,000 students were enrolled as undergraduates and as students in specialized fields in regular institutions of higher education. This was 3.8 percent more than in 1990. Students actually attending school numbered 94,000, down 1.1 percent.

Increased attention was given to intermediate vocational and technical education. In 1991, 195,000 students were attending intermediate vocational and technical schools of various kinds, up 8.3 percent from 1990. This was 39 percent of all students at the senior middle school level.

Compulsory education expanded. As of the end of 1991, a six-year system of education was instituted in 1,249 townships and towns throughout the province in accordance with the law following examination and acceptance of the schools in the system. This was 46.4 percent of all townships and towns in a 13 percentage point increase over the previous year. The primary school attendance rate for children of primary school age reached 98.08 percent, and 83.5 percent of primary school graduates went on to further education.

Improvement of the economic environment and rectification of the economic order raised the quality of adult education. In 1991, adult education institutions of higher education enrolled 8,700 undergraduates and students in specialized fields. A total of 21,000 adults were attending school. 31,000 students were attending adult intermediate vocational schools, and 780,000 adults were attending technical training schools, almost double the 1990 number. Adults attending middle and primary schools numbered 291,000. The province's literacy rate for young, able-bodied people was 93.7 percent, and 107 counties (or city districts) met State Council-prescribed standards for the almost total eradication of illiteracy.

All sorts of social undertakings in the fields of culture, the arts, news, publishing, radio broadcasting, and television boomed. By the end of 1991, the province had 119

artistic performing troupes, 126 cultural palaces, 114 public libraries, 54 museums, 137 archives, 19 radio stations, 12 medium and short wave transmission and relay stations, 17 television transmission and relay stations of 1 kilowatts or above, and 4,612 movie projection units of various kinds. During the year 200 new films (full-length films) were made, and in 1991 a total of 37,012 copies of provincial, prefecture, and county newspapers were published, and 24,806 million magazines and 179,717,000 maps were published.

### 9. Health and Physical Education

Work in the health field continued, and medical treatment conditions improved further. As of the end of 1991, 82,000 hospital beds were available in the province, 5.1 percent more than in 1990. The province had 120,000 professional health care personnel, up 1.7 percent. This included 59,000 medical doctors, and 28,000 medical technicians and nurses.

Outstanding achievements were made in physical education. During 1991, provincial athletes took part in both domestic and foreign competitions in which they earned 23 gold medals, 32 silver medals, and 27 bronze medals. One athlete broke the world record for a single event a single time, one athlete broke the world youth record for a single event a single time, five athletes broke the Asian record in five events, one athlete broke the Asian record in one event a single time, and 122 athletes broke 90 provincial records in 90 events 310 times. The Ninth Provincial Games held in Xian during August 1991 had more events and were on a larger scale than ever before. A number of world records and Asian records were broken at these games. A large number of provincial records were shattered, a new crop of athletes coming to the fore. The opening ceremony of the games was very colorful and impressive. In addition, the province's first plastic rubber track was built. A total of 1,587,100 people met the "National Physical Education Training Standard" during the year, and eight counties met standards in having two arenas, one playing fields, and one building for athletic purposes. Four counties were designated national physical education advanced counties.

### 10. People's Standard of Living

City and town residents' income increased. Random samplings show city and town residents in the province as having earnings of 1,365 yuan per household available for living expenses, up 8.2 percent from 1990. After deducting for price rises, the increase was 0.8 percent. Peasant per capita annual income was 768 yuan, up 4.6 percent from 1990. As a result of the rise in production expenses and the fall in prices paid peasants for agricultural by-products, peasant per capita net income was 534 yuan, up 0.7 percent. After deducting for price increases, it was down 4.2 percent.

City and town employment continued to increase. During 1991, 162,000 city and town people awaiting

employment in the province were placed in jobs. As of the end of the year, the province had 3,863,000 staff members and workers, 73,000 more than at the end of 1990. This included 3,171,000 staff members and workers in enterprises under ownership of the whole people, up 64,000, and 683,000 in city and town collectively owned enterprises, up 8,000. Among those employed in enterprises under ownership of the whole people, contract staff members and workers totaled 469,000, up 51,000 from the end of 1990. At year's end, individually employed workers in cities and towns numbered 174,000, up 7,000.

During 1991, the wage bill for staff members and workers in the province totaled 8.41 billion yuan in a 10.6 percent rise over 1990. The money wage for staff members and workers averaged 2,200 yuan per capita, up 7.7 percent. After deducting for price rises, the actual increase was 0.4 percent.

Residents savings accounts continued to increase on the heels of huge increases during the previous two years. As of the end of 1991, the savings balance for city and rural residents in the province stood at 26.33 billion yuan in a 27.3 percent increase over 1990.

The insurance business continued to do well. Property of various kinds in the province was insured for 59.81 billion yuan during the year, up 2.4 percent from 1990. A total of 11,800 business enterprises took out insurance, 4.24 million residents insured household possessions, and 8.3 million people took out personal injury insurance. During the year 44,900 domestic property indemnity cases were handled, payments totaling 103.42 million yuan being made. Payments to 819,000 people for personal injuries amounted to 89.16 million yuan.

In 1991, various kinds of social welfare institutions in the province had 16,000 beds, and were taking care of 12,000 people. A total of 445,000 recipients of public assistance of various kinds in cities and rural areas of the province received public assistance from the state. A rural social security network has been established in 10.8 percent of the province's townships and towns, and urban social services networks have begun to build 2,194 social service facilities of various kinds.

Environmental protection endeavors saw substantial development. As of the end of 1991, the province had 75 environmental protection monitoring stations, and four national nature reserves. Clean up of environmental pollution within a specified time was completed in 474 cases. Twenty-one smoke and dust control zones were set up in six cities, and 11 environmental noise standards zones were established in five cities.

### 11. Demographics

Random samplings show a 19.82 per 1,000 birthrate, and a 6.51 per 1,000 death rate in the province for a 13.31 per 1,000 natural rate of increase. Both the birthrate and the natural rate of increase were less than for 1990. Extrapolation shows a total population of 33.63

million for the province as of the end of 1991, a 470,000 increase since the end of 1990.

### Footnotes

(1) Some of the figures provided in this bulletin are preliminary statistics.

(2) All absolute figures for gross output value given in this bulletin are at current year prices, growth is at comparable prices.

(3) Formerly the price of products that peasants produced for their own consumption that was included in peasant per capita net income was figured at national list prices. In 1990, it began to be figured in terms of the average contract fixed procurement price.

(4) All norm comparison base figures are annual statistical figures published in *Shaanxi Statistical Yearbook*.

### Hebei Communique on Economic Development

SA0504004292 *Shenghuang HEBEI RIBAO*  
in *China* 10 Jan 92 p.2

[The 1991 statistical communique on economic and social development issued by the Hebei Provincial Statistics Bureau on 28 January]

[Text] Under the correct leadership of the provincial party committee and the provincial People's Government, the people throughout the province scored marked achievements in carrying forward the programs of improving the economic environment and rectifying the economic order and in continuing to expand the opening up work by upholding economic construction as a center in 1991. The economic situation as a whole took an obvious turn for the better, the national economy showed a stable increase, the total supply and demand maintained a basic balance, the major target of improving the economic environment and rectifying the economic order was basically fulfilled, and a good start in fulfilling the Eighth Five-Year Plan was made. According to preliminary calculation, the province's gross national product reached 97.5 billion yuan, a 7 percent increase over 1990, and its national income reached 798 yuan, a 6.1 percent increase over 1990.

Science and technology, education, culture, public health, and sports also made new progress. Major problems cropping up in economic operation include the slow speed in readjusting the structure, the low economic results, and the insufficient reserve strength of development.

#### 1. Agriculture

The province reaped a bumper agricultural harvest again in 1991 thanks to overcoming the serious drought and many natural disasters. Its total agricultural output value reached 36.55 billion yuan, a 3 percent increase over 1990. Of this output value, that of planting crops reached 23.35 billion yuan, a 1.7 percent increase over 1990. Its forestry output value reached 1.07 billion yuan, a 3.7

percent increase over 1990. Its animal husbandry output value reached 9.48 billion yuan, a 6 percent increase over 1990. Its sideline production output value reached 1 billion yuan, an 8.4 percent increase over 1990. Its fishery output value reached 1.65 billion yuan, a 1.6 percent increase over 1990.

The province reaped a good harvest in major agricultural crops. Its total grains output was basically equal to that of 1990, and its total cotton output showed a large-scale increase, both reaching the second highest yield in history. Its total oil-bearing seeds output decreased slightly. The province reaped a bumper harvest in fruits, beans, and tobacco.

The output of major agricultural products was as follows:

|                         | 1991                | percentage increase over 1990 |
|-------------------------|---------------------|-------------------------------|
| Grains                  | 22,647 million tons | -0.4                          |
| Of which, summer grains | 9,038 million tons  | -2.3                          |
| Autumn grains           | 13,649 million tons | 1.3                           |
| Cotton                  | 634,000 tons        | 11.1                          |
| Oil-bearing seeds       | 729,000 tons        | -2.7                          |
| Of which, peanuts       | 602,000 tons        | 4.2                           |
| Beans                   | 230,000 tons        | 86.2                          |
| Jute and bluish dogbane | 19,000 tons         | 1.6                           |
| Flue-cured tobacco      | 15,000 tons         | 25.0                          |
| Cocoon                  | 824.1 tons          | 18.8                          |
| Dried or fresh fruits   | 2,029 million tons  | 12.4                          |
| Of which, fresh fruits  | 1,971 million tons  | 12.5                          |

The province scored new achievements in forestry production. It planted 279,000 hectares (4.183 million mu) of trees, excluding fruit trees, a 0.8 percent increase over 1990. It planted 160 million trees at the sides of houses, villages, roads, and water, which showed a 23.8 percent increase over 1990. It grew 11,900 hectares (179,000 mu) of saplings. Its percentage of forest cover reached 15.04 percent. Eighteen counties reached the standard of greening plains. The province also scored gratifying achievements in the greening project around the country's capital and in building the economic channel of the Taihang mountain.

The animal husbandry production developed faster. The amount of hogs and large animals as well as the major products of meat, poultry, and eggs increased.

The output of major animal products and the amount of livestock was as follows:

|                                     | 1991                | percentage increase over 1990 |
|-------------------------------------|---------------------|-------------------------------|
| Total meat output                   | 1,429 million tons  | 9.8                           |
| Of which, pork, beef, mutton        | 1,311 million tons  | 8.2                           |
| Milk                                | 132,000 tons        | 18.2                          |
| Sheep wool                          | 12,000 tons         | -5.3                          |
| Poultry egg output                  | 60,600 tons         | 18.2                          |
| Amount of meat hogs                 | 14,808 million head | 6.1                           |
| Amount of hogs at year end          | 15,358 million head | 4.1                           |
| Amount of sheep and goat at yearend | 9,934 million head  | -7.4                          |
| Amount of large animals at yearend  | 5,289 million head  | 0.7                           |

Fishery continued to expand. The annual output of aquatic products was 237,000 tons, an increase of 8.4 percent over the previous year. Of this, the output of marine products was 171,000 tons, an increase of 3.4 percent, and that of freshwater products, 66,000 tons, an increase of 23.7 percent.

Conditions for agricultural production further improved. By the end of the year, the aggregate capacity of the province's farm machinery reached 28,495 million kilowatts, an increase of 1.0 percent over the previous year. The number of various types of farm machinery and implements increased. There were 632,000 small and hand-guided tractors, an increase of 6.3 percent, 2,618 combined harvesters, an increase of 61.2 percent, and 533,000 motor-driven threshers, an increase of 5.2 percent. New progress was made in the large-scale development and improvement of the Haihe Plain. The capital construction of farmland and water conservation projects were strengthened. During the year, a total labor force of 340 million people participated in the construction of farmland and water conservancy projects. The local governments raised 18.46 million yuan and completed 106,000 various projects. The effective irrigated farmland areas totaled 3,839,500 hectares (equivalent to 57,317 million mu), an increase of 1.7 percent over the previous year; by the end of the year, 748,000 motor-pumped wells were drilled, an increase of 1.8 percent over the previous year; a total of 1,607 million tons of chemical fertilizers were applied throughout the year, up 10.7 percent. However, the agricultural foundation was still weak and the comprehensive production capacity was low.



## 2. Industry

Industrial production increased steadily. The annual industrial output value totalled 133.03 billion yuan, an increase of 13.5 percent over the previous year. Of this, the output value of the light industry was 63.82 billion yuan, an increase of 13.2 percent, and that of the heavy industry, 69.21 billion yuan, an increase of 13.7 percent. The output value of industrial units at and above the township level reached 93.46 billion yuan, an increase of 12.2 percent, and the output value of industrial units at and above the village level was 38.60 billion yuan, an increase of 17.1 percent.

Of the total output value of industrial units at and above the township level, the output value of state industrial enterprises reached 63.70 billion yuan, an increase of 9.7 percent over the previous year, the output value of collective industrial enterprises reached 27.30 billion yuan, an increase of 16.3 percent (of which the output value of township-run industrial enterprises increased 28.3 percent), and the output value of industrial units of other economic sectors reached 2.26 billion yuan, an increase of 55.8 percent.

The production and operational environment of large and medium-sized industrial enterprises improved. In 1991 we conscientiously implemented a series of policy measures on successfully running large and medium-sized state enterprises, made efforts to improve the internal and external environment, and succeeded in gradually improving the production and operational situation. The output value of large- and medium-sized industrial enterprises during the year totalled 47.07 billion yuan, an increase of 12.4 percent over the previous year.

The "quality, variety, and efficiency year" activities and the measures for "restricting production and reducing stockpiled goods," and for "linking the reduction of stockpiled goods with issuance of loans for technological transformation" witnessed initial results, and the economic efficiency began to pick up. The sales income of local budgetary state industrial enterprises throughout the province reached 35.14 billion yuan, an increase of 18.6 percent over the previous year, the sales taxes reached 2.03 billion yuan, an increase of 18.0 percent, the profits and taxes created and the profit and tax delivery increased 11.0 percent and 14.5 percent respectively over the previous year, the number of money-losing enterprises decreased by 81, or 5.5 percent, from the previous year-end, the turnover period of the fixed amount of working funds were accelerated by five days over the previous year, and the per worker labor productivity of state industrial enterprises exercising independent accounting rose by 8.6 percent over the previous year. Of the province's 82 major products under appraisal, 51 increased in production over the previous year.

The output of major industrial products was as follows:

|                                    | 1991                           | percentage increase over the previous year |
|------------------------------------|--------------------------------|--|
| Yarn                               | 331,000 tons                   | -1.4                                       |
| Cloth                              | 1.18 billion meters            | -0.8                                       |
| Wool fabrics                       | 33,933 million meters          | -12.8                                      |
| Wool fabrics                       | 6,643 million meters           | -4.7                                       |
| Woolen thread                      | 4,306.7 tons                   | 36.4                                       |
| Machine-made paper and paper board | 693,000 tons                   | 21.9                                       |
| Matches                            | 2,732 million cartons          | 19.3                                       |
| Synthetic detergents               | 17,000 tons                    | -1.6                                       |
| Crude salt                         | 2,251 million tons             | 18.0                                       |
| Cigarettes                         | 1,170 million crates           | -1.3                                       |
| Daily aluminium ware               | 2,216.8 tons                   | 8.5  |
| Bicycles                           | 680,000                        | 54.8                                       |
| Wrist watches                      | 382,000                        | 43.6                                       |
| TV sets                            | 276,000                        | 44.8                                       |
| of which color TV                  | 103,000                        | 87.1                                       |
| Beer                               | 370,000 tons                   | 14.0                                       |
| Chemicals (raw)                    | 13,000 tons                    | -21.8                                      |
| Movie film (35 mm)                 | 89,780 million meters          | 19.9                                       |
| Tape recorders                     | 45,000                         | -14.8                                      |
| Raw coal                           | 61.6 <sup>5</sup> million tons | -1.2                                       |
| Crude oil                          | 5,375 million tons             | -5.7                                       |
| Electricity                        | 40.57 billion kwh              | 10.0                                       |
| Iron ore                           | 23 million tons                | 18.6                                       |
| Pig iron                           | 5,044 million tons             | 8.3  |
| Steel                              | 4,131 million tons             | 7.7  |
| Rollled steel                      | 3,12 million tons              | 10.9                                       |
| Cement                             | 14,752 million tons            | 12.6                                       |
| Timber                             | 97,000 cubic meters            | 0.9  |
| Sulphuric acid                     | 648,000 tons                   | 13.9                                       |
| Caustic soda                       | 136,000 tons                   | 10.3                                       |
| Soda ash                           | 362,000 tons                   | 36.2                                       |
| Chemical fertilizers (pure)        | 1,299 million tons             | 1.0  |
| Chemical insecticides (pure)       | 16,000 tons                    | 14.4                                       |
| Metal cutting machine tools        | 2,967                          | 93.1                                       |
| Motor vehicles                     | 17,000                         | 97.7                                       |
| Small tractors                     | 1,501,000                      | 16.7                                       |
| Plate glass                        | 11,761 million weight cases    | 9.0  |

The main problems in industrial development were that the structural readjustment was slow and the economic efficiency level was low. Judging from the local budgetary industrial enterprises, the profit-tax rate of funds which comprehensively reflects economic efficiency was only 9.0 percent.

### 3. Investment in Fixed Assets and Construction

The investment in state enterprises steadily increased, and the investment made by collectives and individuals increased fairly greatly. In 1991 the completed social investment in fixed assets was 24.11 billion yuan, an increase of 36.0 percent over the previous year. Of this, the investment in state units was 12.82 billion yuan, an increase of 15.6 percent; the investment in urban collective units was 740 million yuan, an increase of 27.2 percent; the investment in rural collective units was 2.53 billion yuan, an increase of 64.5 percent; the investment in urban individual units was 290 million yuan, an increase of 33.5 percent; and the investment in rural individual units was 7.73 billion yuan, an increase of 80.1 percent.

The investment structure of state units was readjusted. The capital construction investment of state units was 7.30 billion yuan, an increase of 17.6 percent over the previous year. Of this, the investment in productive construction projects was 5.19 billion yuan, an increase of 8.2 percent; and the investment in nonproductive construction projects was 2.11 billion yuan, an increase of 49.8 percent. Agricultural investment reached 210 million yuan, a decrease of 26.2 percent; the investment in energy industry was 2.61 billion yuan, an increase of 9.6 percent; the investment in transportation, communications, and telecommunications was 650 million yuan, an increase of 14.2 percent; and the investment in scientific and educational undertakings reached 550 million yuan, an increase of 27.5 percent. The investment for equipment replacement and technical updating was 4.70 billion yuan, an increase of 12.3 percent over the previous year. Of this, the proportion of investment in reconstruction projects rose from 46.3 percent in the previous year to 48.3 percent; and the investment in projects to save energy, increase product varieties, and raise product quality reached 1.46 billion yuan, an increase of 7.9 percent, and the proportion of investment for these projects reached 31.2 percent.

The construction of key projects was accelerated and a large number of projects were completed and put into production. The 4,538 capital construction projects were built and put into production in the year, which brought about 4.02 billion yuan in fixed assets. The province invested 3.05 billion yuan in the 33 large- and medium-sized capital construction projects that were under construction and 690 million yuan in the five key projects that were under construction organized by the state in line with the rational building period. In 1991 five large- and medium-sized capital construction projects, seven specific projects, and seven above-norm technical renovation projects were built and put into production, which mainly include the No. 1 generator set of the

Shalingzi power plant with the installed capacity of 300,000 kw, the Xingu heat and power plant built in Fengrun county with the installed capacity of 50,000 kw, the generator set with the capacity of 200,000 kw built in the fifth-phase project undertaken by the Xingtai power plant, the Xuecun colliery under the Fengfeng Mining Bureau with the annual output of 450,000 tons and the Jiulongkou colliery with the annual output of 1.2 million tons, the phosphate and ammonium mine built by the Zhong-A Fertilizer Ltd. Company with the annual output of 480,000 tons ammonium di-hydrogen phosphate, the increased crude oil output of 136,000 tons scored by the Jidong oil field with its newly set facilities, the diversion of the Qinghe's water to Qinhuangdao city, the construction of 30,000-channels automatic telephone switchboard in the Shiyazhuang telecommunications bureau, and the technical renovation conducted by the Tangshan city ceramic plant in producing sanitary utensils. However, large and medium-sized construction projects have lost their succession and suffer temporary shortages. The strength to achieve steady development in this regard is insufficient.

Major newly-increased productive capability and effects scored by the state-run units throughout the province in their capital construction and technical renovation projects in the year were as follows:

|   | 1991                 |
|---|----------------------|
| Mining of iron ore                                    | 325,000 tons         |
| Mining of coal  | 1.73 million tons    |
| Installed capacity of power                           | 57,600 kw            |
| Drilling of natural petroleum                         | 136,000 tons         |
| Power transmission lines                              | 699.3 km             |
| Power transformation equipment                        | 826,000 kva          |
| Fertilizer (100 percent effective content equivalent) | 86,000 tons          |
| Cement  | 723,000 tons         |
| Plate glass   | 150,000 weight cases |

The construction industry reached a turning point. The state-run construction enterprises realized 6.28 billion yuan in total output value, an 11.8 percent increase over 1990; and their built acreage reached 12,223 square meters, a 7 percent increase over 1990. Calculated in line with the total output value, the per laborer productivity reached 15,112 yuan, a 15.4 percent increase over 1990. However, economic results scored by construction enterprises declined because of their overstaffed contingent of construction workers and the insufficient tasks of construction.

The work of geological prospecting achieved new progress. The work volume scored by the geological prospecting teams throughout the province reached 91,000 meters. They discovered new and important mineral deposits in 30 localities and handed over 55 geological reports to the state.

#### 4. Transportation and Post and Telecommunications

The transport undertakings maintained a trend of development, and the transportation order further achieved a turn for the better.

The work volume scored by various transport means in the year was as follows:

|                           | 1991                    | percentage increase over 1990 |
|---------------------------|-------------------------|-------------------------------|
| Freight turnover volume   | 138.97 billion ton km   | 0.7                           |
| Railway turnover volume   | 129.1 billion ton km    | 0.7                           |
| Highway turnover volume   | 2.72 billion ton km     | -0.6                          |
| Waterway turnover volume  | 4.48 billion ton km     | 2.2                           |
| Pipe-line turnover volume | 2.63 billion ton km     | 2.0                           |
| Passenger turnover volume | 34.46 billion person km | 3.8                           |
| Railway turnover volume   | 26.84 billion person km | 6.2                           |
| Highway turnover volume   | 7.62 billion person km  | 13.2                          |

The volume of freight handled by the province's harbors was 72.644 million tons, an increase of 4.1 percent over the previous year. Of this, the freight handled by Qinhuangdao Harbor was 72.363 million tons, up 4.2 percent.

New headway was made in civil aviation. The Hebei Civil Aviation Administration opened 11 routes linking the province with Beijing, Shanghai, Guangzhou, Nanjing, and Hohhot, a total of 8,568 km. Throughout last year, 612 airplanes took off from the province, the volume of passengers reached 29,000, up 29.5 percent over the previous year, and the volume of air freight was 367 tons, up 5.7 percent.

Fairly rapid progress was made in post and telecommunications service, with business transactions in 1991 totaling 730 million yuan, up 31.1 percent over 1990. Some progress was also made in letter, parcel, and money order service. By the end of 1991, urban telephone subscribers numbered 253,000, up 27.6 percent, and rural telephone subscribers numbered 43,000, up 15.2 percent.

#### 5. Commerce, Price, and Supply and Marketing of Materials

Retail market was brisk amid stability. In 1991 the total volume of retail sales was 42.73 billion yuan, up 12.2 percent over 1990. The retail sales of consumer goods were 34.48 billion yuan, up 11.9 percent, of which 3.26 billion yuan worth of commodities were sold to institutions, up 15.4 percent. The retail sales of means of agricultural production were 8.25 billion yuan, up 13.3

percent. Some progress was made in searching for more markets in other provinces. In 1991 the province registered a 31.4 percent increase in the amount of commodities transferred from the province to other provinces, 15.5 percentage point higher than that transferred to the province from other provinces. Such a situation has been seldom seen over recent years.

Viewed from the urban and rural consumer goods markets, urban markets were brisk and thriving, and rural markets picked up gradually. In 1991 the volume of retail sales of consumer goods in urban areas was 16.86 billion yuan, up 16.9 percent over 1990. The sales on rural markets at or below the county level was 17.62 billion yuan, up 7.6 percent.

The marketing structure of consumer goods changed. The sale of food items increased by 10.6 percent over 1990, with its proportion in the sales of all consumer goods dropping from 50.5 percent in 1990 to 49.9 percent. The sale of clothing items rose by 20.1 percent, with its proportion rising from 15.4 percent to 16.5 percent. The sale of items for household use rose by 10.3 percent, with its proportion dropping from 34.1 percent to 33.6 percent.

New headway was made in all categories of the economy, and the predominant role of the state cooperative commerce was strengthened somewhat. The retail sales volume of the state-owned units and supply and marketing cooperatives was 26.06 billion yuan, up 11.5 percent over 1990, of which the retail sales volume of the state cooperative commercial units rose by 12.4 percent. The retail sales volume of the collectively owned units was 5.09 billion yuan, up 6.5 percent, that of joint-ownership units was 100 million yuan, up 59.6 percent; and that of individual units was 8.14 billion yuan, up 12.1 percent. Sales by farmers to nonagricultural residents amounted to 3.36 billion yuan, up 27.8 percent.

Economic efficiency of commercial departments improved somewhat. In 1991 the profits gained by commercial departments and supply and marketing cooperatives from selling each 100 yuan of commodities rose by 26 percent, the total losses by unprofitable enterprises dropped by 15.1 percent, and the expenses in selling each 100 yuan of commodities dropped by 5.2 percent.

The general level of market prices tended toward stability, showing a fairly small margin in price increase. Thanks to the ample supply of commodities and the stable consumption psychology of urban and rural residents, the price reform measures, including the adjusted prices of grain and edible oil, did not arouse social fluctuation. The general retail price level for the whole year indicated a 2.8 percent increase over 1990. Of this, that in cities rose by 6.5 percent and that in rural areas rose by 1.3 percent. The general costs of living of urban and rural residents rose by 3.4 percent over the year before. Of this, the general costs of living of urban residents rose by 6.6 percent, and those of rural residents rose by 1.6 percent.



The changes in prices of various commodities and services were as follows:

|                                   | 1991  |
|-----------------------------------|-------|
| Food                              | 103.7 |
| of which                          |       |
| Grain                             | 98.1  |
| Meat, poultry, egg                | 106.0 |
| Aquatic products                  | 100.8 |
| Clothing                          | 103.3 |
| Articles for daily use            | 101.8 |
| Medicine and medical goods        | 102.0 |
| Building materials for decoration | 100.6 |
| Fuel                              | 107.6 |
| Means of agricultural production  | 101.6 |
| of which                          |       |
| Chemical fertilizers              | 101.4 |
| Agricultural chemicals            | 96.9  |
| Oil for farm machinery            | 102.4 |
| Services                          | 107.0 |

The general level of purchasing prices of farm and sideline products dropped 3.6 percent from the previous year. The prices of major agricultural products such as grains declined sharply because there was an ample supply and the circulation channel was not smooth. The prices of grains dropped by 10 percent and that of cash crops 3.5 percent. Of this, the prices of edible cereal oils and oil-bearing crops dropped by 3.1 percent. The purchase price of cotton dropped by 3.6 percent from the figure of the previous year; thanks to the good plan during the purchasing work, livestock and poultry rose by 8.5 percent; tussah silk cocoon and tussah silk fabrics rose 6.1 percent; dried and fresh fruits rose 16.3 percent; Chinese medicinal herbs rose 27.1 percent; native and sideline products dropped by 15.4 percent; and aquatic products dropped by 18.6 percent, of which marine products dropped by 16.3 percent.

The capital goods markets were brisk instead of average. During the year, the material enterprises throughout the province sold 17.17 billion yuan worth of capital goods, an increase of 31.1 percent over the previous year. Of this, 3.265 million tons of rolled steel were sold, an increase of 42.2 percent; 24.213 million tons of coal were sold, an increase of 9.7 percent; 1.349 million cubic meters of timber were sold, a decline of 3.1 percent; and 2.192 million tons of cement were sold, an increase of 11.3 percent. During the year, 15.96 billion yuan worth of capital goods were purchased, an increase of 32.8 percent; at the end of the year, the capital goods in stock were valued at 1.84 billion yuan, an increase of 2.6 percent over the beginning of last year.

6. Foreign Economic Relations, Trade and Tourism  
Imports and exports continued to expand. The total volume of imports and exports amounted to \$2.01

billion, of which the volume of exports reached \$1.74 billion. Of the export volume, the export of ordinary trades and the "joint, cooperative and foreign-funded" enterprises was \$1.33 billion, an increase of 6.1 percent over the previous year. The purchase of export commodities was valued at 6.42 billion yuan, up 7.7 percent.

New progress was made in the utilization of foreign capital and in foreign economic and technological cooperation. The actual amount of foreign capital used during the year was \$138.35 million, an increase of 33.9 percent. Foreign exchange receipts from the non-trade sector was \$46.76 million, an increase of 21.1 percent, and the transaction volume of foreign-contracted engineering projects and cooperative labor services was \$2.965 million.

The tourist industry continued to develop. During the year, we received a total of 69,000 tourists from 57 countries and regions who came to the province on tour and for sightseeing, visits and other activities, an increase of 46.0 percent over the previous year; the income from tourism reached 44.20 million yuan in renminbi, up 45.0 percent. During the year we received 20.26 million domestic tourists, an increase of 31.0 percent, and the income from tourism was 290 million yuan, an increase of 27.0 percent.

#### 7. Finance, Banking, and Insurance

New achievements were scored in financial work. In 1991, the province's revenues totaled 9.06 billion yuan, up by 11.7 percent over 1990. Of this, taxes from industrial and commercial enterprises totaled 7.57 billion yuan, up by 7.3 percent. The "double-creation and double-change" work saw progress. Fengnan County and Huanghua City topped 100 million yuan in revenues respectively, thus joining the ranks of 100 million-yuan counties ahead of schedule. In 1991, the province's expenditures totaled 9.09 billion yuan, up by 4.2 percent over 1990. Of this, appropriations for capital construction registered an increase of 11.7 percent, those for enterprises to tap potential and carry out technological transformation increased by 72.8 percent, those for operating cultural, educational, and public health undertakings increased by 4.9 percent, and those for administration increased by 13.8 percent. However, funds allocated to subsidize prices decreased by 18.0 percent.

The banking situation was relatively stable, thus playing an important role in supporting economic construction. Initial results were achieved in issuing money to clear up "cross defaults." By the end of 1991, savings deposits of financial institutions in the province totaled 93.93 billion yuan, 18.39 billion yuan more than the figure at the beginning of the same year. Of this, savings deposits of banks totaled 69.98 billion yuan, 14.38 billion yuan more than the figure at the beginning of the year. At the end of 1990, the balance of loans of various financial institutions totaled 97.89 billion yuan, 15.49 billion yuan more than at the beginning of the year. Of this, the balance of loans of banks totaled 74.17 billion yuan, 11.01 billion yuan more than at the beginning of the

year. In 1991, the cash income of banks was 100.76 billion yuan, an increase of 21.1 percent over 1990, and the cash expenditures of banks, 100.62 billion yuan, up by 21.9 percent. The accounts showed a favorable balance of 140 million yuan.

Insurance service continued to develop. In 1991, insurance companies assumed risk-taking responsibility for 137.6 billion yuan in property for 28,000 enterprises, 240,000 motor vehicles, 6.57 million families, and 45.1 million mu of crops. In addition, insurance companies also provided life insurance programs for 9.79 million people, with the value of insurance policy reaching 31.1 billion yuan. The domestic and foreign property insurance dealt with 890,000 compensation cases, and paid out 570 million yuan. Of this, a total of 170 million yuan was paid out in life insurance indemnities to 74,000 persons. By the end of 1991, the provincial insurance premium totaled 750 million yuan, and the life insurance reserve fund was 490 million yuan, thus strengthening the compensatory ability of insurance.

#### 8. Science and Technology

The strategy of "invigorating Hebei by applying scientific and technological achievements" was implemented further, and new results achieved in scientific and technological work. In 1991, the province won six state prizes for scientific and technological progress, one invention prize of the state, 17 "spark" prizes of the state, and 260 provincial prizes for scientific and technological progress. The province also achieved 1,262 major scientific and technological results, of which, 27 were original, 135 reached advanced international level, 471 were firsts in the country, and 510 reached the advanced domestic level.

All projects covered by the scientific and technological development plan were underway. In 1991, the province made arrangements for carrying out 326 key "joint-research" projects and "torch" projects, and scored 108 scientific and technological achievements which were of the advanced domestic level. The province also arranged 100 projects to popularize scientific and technological achievements, of which, 36 came under mandatory planning, and 64 came under guidance planning. These projects brought about a total of 850 million yuan in economic benefits. Of them, 39 projects brought about more than 1 million yuan of benefits respectively, 32 were agricultural projects, creating an annual benefit of 720 million yuan, and seven were industrial projects, creating 70 million yuan in annual benefits. The province also carried out 80 key "spark" projects, 31 of which brought about 1 million yuan of benefits respectively.

Science and technology were further popularized in agricultural production. In 1991, 18 prefectures and cities across the province scored marked achievements in popularizing 30 technologies suitable to increasing production.

The scientific and technological work that renders service for economic construction and social life achieved

again new development. At the end of 1991, the province had established 446 standardization and measurement organs and completed the work of formulating or repairing 1,227 regulations and rules on standardization. The province invested 20.48 million yuan for the year in the 176 projects for consolidating the environmental pollution, by the given date. In 1991 the survey and drawing departments drew 5,747 topographic maps to scale and compiled an atlas of 30 categories.

The province received 2,010 applications for patents, a 36 percent increase over 1990. Of these applications, 918 were approved, a 28.7 percent increase over 1990.

The contingent of scientific and technological personnel further became larger and stronger. At the end of 1991, the number of specialized technological personnel possessed by the local state-run institutes and units reached 83,900, of which, the number of natural technological personnel reached 34,600 and that of social scientific personnel reached 49,300. The number of state-run independent research and development units at or above the county level reached 140 that accommodated 24,000 staff members and workers, of whom, 10,675 are scientists and engineers. The number of higher educational institution personnel who were engaged in scientific and technological activities reached 5,326, of whom, 5,080 are scientists and engineers.

The mass activities of popularizing sciences, exchanging academic information, and engaging in research became active and 2,658 scientific and technological associations or societies were established at provincial, prefectural, city, and county levels, which had more than 410,000 members, of whom, 160,000 are scientists and engineers. They carried out 2,731 academic exchanges with the participation of 180,000 personnel and in which 16,000 papers were exchanged.

#### 9. Education and Culture

The number of students enrolled in higher educational institutions increased. The province enrolled 224 graduate students and had 653 graduate students in the year, of whom, 299 graduated from their schools. The province's general higher educational institutions enrolled 24,000 students majoring in regular or specialized courses and had 74,000 undergraduate students, of whom, 23,000 graduated from their schools.

In 1991 the province's secondary specialized and technical schools enrolled 39,000 students, a 10.4 percent increase over 1990. These schools had 110,000 students in the year, a 2 percent increase over 1990, of whom, 37,000 graduated from their schools. The province's senior agricultural, vocational, and technical middle schools had 106,000 students in the year, an 8.6 percent increase over 1990. Its general senior middle schools had 318,000 students, a 1.9 percent increase over 1990, and its skilled worker schools had 65,000 students.

Elementary education was consolidated. The province's junior middle schools had 1,903 million students in the year, a 7.9 percent increase over 1990, and its primary

schools had 7.243 million students, a 2.7 percent increase over 1990. The enrollment rate of school-age children reached 98.3 percent. The province had 2,725 kindergartens, which accommodated 1.315 million children, a 62,000 person increase over 1990.

Adult education continued to develop. The province's higher educational institutions enrolled 12,000 adult students majoring in regular or specialized courses in 1991, a 5.6 percent increase over 1990. These institutions had 37,000 students for the year, a 14.5 percent decrease over 1990. Its secondary specialized adult schools had 76,000 students for the year, a 17.2 percent decrease over 1990. Its technical training schools for adults had 4.247 million students, a 1.7-fold increase over 1990. Its adult classes for middle and primary school courses had 439,000 students, an 83.6 percent decrease over 1990.

New headway was made in cultural undertakings. Last year the province produced two feature movies, 29 teleplays in 104 episodes, and eight radio plays, in eight parts, and distributed 899 new feature movies. Two feature movies and teleplays in five parts were awarded prizes at the national appraisal. The teleplay "Young Mao Zedong" was awarded first place for the "Feitian" prize for children's series at the 11th national excellent teleplays festival. The teleplay "Li Xiaoe Divides Up Family Property" was awarded first prize for outstanding teleplay at the second national movie festival. In the province, there were 8,874 film projection units of various kinds, giving 1.35 million shows, and attracting an audience of 990 million. There were 146 performing art groups, giving 37,000 shows, and attracting an audience of 46.5 million. There were 190 mass artistic and cultural halls, 3,350 cultural stations, 122 libraries, with a collection of 7.27 million books, 26 museums, and 212 archives. Among the unmovable cultural relics throughout the province, 37 spots had been decided by the State Council as national key ancient relics reserve units. In the province, there were 104 broadcasting stations and 28 medium and short wave radio transmitting and relay stations, accessible by 73.5 percent of the total population, and 45 television stations, accessible by 85.5 percent of the population. In 1991 the province published and distributed 650 million copies of 44 kinds of newspapers of the provincial and prefectural (city) levels, 33.97 million copies of 126 kinds of magazines, and 270 million copies of books and pictures.

#### 10. Public Health and Sports

Medical conditions improved. By the end of 1991, there were 129,000 hospital beds in the province, up by 2.8 percent over the end of the previous year; 184,000 full-time health workers, up 1.6 percent, of whom, 87,000 were doctors, up 0.6 percent, and 40,000 nurses, up 1.8 percent. New progress was made in prevention and control of various infectious diseases, chronic diseases, and endemic diseases. Health supervision and monitoring work was also strengthened.

New achievements were scored in sports. Last year, one athlete of the province broke one world record on one occasion, one athlete and one team broke two Asian records

on two occasions, six athletes and two teams broke eight national records on eight occasions. At major domestic and international games, the province's athletes won 63 gold medals, 59 silver medals, and 60 bronze medals. The province successfully sponsored the second national urban sports games and the third China Wushao International Acrobatic Art Festival. At the second national urban sports games, the province ranked second in the country in the number of gold medals. Mass sports activities developed vigorously. In the province, 17 counties were named as the national advanced sports counties. The units at or above the township level in the province sponsored 9,683 sports events, and 4.73 million persons reached the National Standards for Physical Exercises.

#### 11. Standard of Living

Income of urban and rural residents went up, and their living standards improved. According to a sample survey, in 1991 the per-capita cash income of urban residents that could be used for living expenses was 1,489.3 yuan, up 6.6 percent over 1990, and the per capita net income of peasants was 657.4 yuan, up 5.7 percent.

Urban employment continued to increase. In 1991 320,000 urban people were employed, and the unemployment rate was 0.9 percent. There were 6,703 million workers and staff members across the province at the end of the year, an increase of 176,000 people over the year-end figure of the previous year. Among them, 866,000 workers were working in state units implementing the labor contract system, an increase of 91,000 people over the previous year. There were 150,000 self-employed workers in the urban areas by the end of the year, an increase of 9,000 people over the previous year.

The wages of workers continued to increase. The total wages of workers during the year was 14.18 billion yuan, an increase of 9.6 percent over the previous year. If the price rise factor was deducted, the actual increase was 2.8 percent. The annual average cash wages of workers was 2,162 yuan, an increase of 7.1 percent. If the price rise factor was deducted, the actual increase was 0.5 percent.

Urban and rural savings deposits increased by a large margin. The savings deposits of the urban and rural residents by the end of the year reached 64.11 billion yuan, an increase of 13.65 billion yuan over the year-end figure of the previous year. Of this, the urban savings deposits totalled 40.69 billion yuan, an increase of 9.08 billion yuan over the year-end figure of the previous year; and the rural savings deposits totalled 23.42 billion yuan, an increase of 4.57 billion yuan over the year-end figure of the previous year.

Urban and rural housing conditions improved. In 1991 the urban areas built houses with a total floor space of 4.547 million square meters, an increase of 3.4 percent over the previous year. The average per capita living space of urban residents was 9.5 square meters, and the average per capita living space of peasants was 17.5 square meters.

Social welfare work continued to develop. There were 49,000 beds in various sorts of social welfare institutes across the province, taking care of 34,000 people. A total



of 79,000 people, including the childless, old, and disabled, as well as children, living in different places were supported by the collectives. Rural social welfare benefit networks were established in 379 townships and towns throughout the province. The urban areas also established 7,527 social service facilities of various types. The living, study, and employment conditions for disabled people continued to improve.

### 12. Population

In 1991 party committees and governments at all levels across the province conscientiously implemented the "decision of the party Central Committee and the State Council on strengthening family planning work and strictly controlling population growth," carried out all birth control measures, and witnessed a noticeable decline in the birth rate. According to a sample survey on the change of the population, in 1991 the province's birth rate was 16.59 per thousand, a decline of 3.87 permillage point, the death rate was 6.75 per thousand, a decline of 0.07 permillage point, the natural population growth rate was 9.84 per thousand, a decline of 3.80 permillage point. It was calculated that by the end of the year the total population of the whole province was 62,197,300 people, an increase of 608,500 people over the year-end figure of the previous year.

### Footnotes:

1. All the figures in this communique are the statistical figures of the annual wall bulletin.

2. Values of gross output targets quoted in the communique are at current prices, whereas growth rates are at comparable prices.

3. Base periods for the comparison of various indices are all official statistics published in the *Hebei Economic Statistics Yearbook*.

### Shaanxi Targets "Three Irons" in Enterprises

92CE0364G Xian SHAANXI RIBAO in Chinese  
4 Mar 92 p 1

[Article by Ren Bolin (0117 2672 2651): "The Yan'an Region Draws Up New Measures for Appointing Enterprise Cadres and Publicly Recruiting and Hiring Workers"]

[Text] In order to further invigorate enterprises, the Yan'an region has recently combined reform of personnel, labor, and distribution systems within enterprises with its local realities, by instituting a set of new policies for combating the "three irons."

The key parts of these new policies are as follows. All administrative deputies in small and mid-size enterprises will be appointed. When choosing and replacing enterprise leaders, the distinction between cadres and workers can be done away with, and they can be publicly recruited and hired. All mid-level enterprise administrative cadres will be appointed by enterprises, with

appointments of party and mass mid-level cadres being determined by enterprise party organs. Enterprise factory managers and directors cannot be transferred during their contract periods, without auditing when their contracts expire, or until they have turned losses into profits in losing enterprises. When losses have been sustained for more than 2 years in a row and most staff members and workers approve, factory leaders can be dismissed on the spot and demoted one pay grade. Enterprises can recruit and hire workers based on their production needs, and will have the authority with the guidance and oversight of labor departments to set worker recruitment qualifications and quantities, and to publicly recruit and hire. Departments such as labor, public security, and grain, must promptly handle the relevant procedures. Enterprises will have the right to transfer staff members and workers directly within cities, among enterprises of the same ownership category, and between local and directly subordinate enterprises within their local jurisdiction. Enterprises will practice contract management for all personnel. As to wage distribution, enterprises can set their own forms of internal distribution within stipulated payroll limits, and will be allowed to break with the current wage system (with former graded wages being entered and kept on file), by gradually expanding "flexible wages" and reducing "fixed wages."

### SMALL-SCALE ENTERPRISES

#### Shaanxi City Officials Caught Gambling, Punished

#### Eyewitness Reports In-Office Gambling

92CM02364 Xian SHAANXI RIBAO in Chinese  
3 Mar 92 p 1

[Article by staff reporters Liu Dongming (0491 2639 2494) and Jia Yufeng (6328 3768 1496): "Some Cadres of Yulin City Party Committee Organizations Gamble During Office Hours"]

[Text] Last winter and this spring some cadres and members of the masses in Yulin City told us reporters many times that the work style of the Yulin City party committee organizations was slack. They said that that when some cadres of these organizations go to work they regularly gamble at mah jong, that most of the time there are five or six tables at which this game is going on, and that comrades who come to these offices to conduct business are "given the cold shoulder."

In the middle part of January and the last part of February this year, we reporters, carrying a camera and a tape recorder, on six occasions went to the Yulin City party committee organizations to investigate, and on five of these occasions we saw and heard some cadres and some staff members and workers gambling at mah jong.

At 3:10 PM on 14 January, we reporters went to the city committee's office building, where we examined in detail all of the offices. Standing in the hallways of the third and fourth floors we heard the "slap" of mah jong tiles. From 2 to 3 PM on 28 February, we examined the offices and also the living quarters. Although at this time the work style of the organizations in the counties (cities) of Yulin Prefecture was being rectified, we nevertheless discovered two "battlefields." At 4:35 PM we quietly pushed open the door of a Western-style office. This office was a "stronghold" that the masses had reported and we had seen many times. In the office four persons were engaged in a "fierce battle" around a table on the top of which had been placed some cash. Another two persons watched the "battle" from the sidelines. The playing of mah jong continued until 4:50 PM. By making inquiries we found out that the four persons playing mah jong were Zhu Qikai [2612 0796 0418], a cadre of the Discipline Inspection Commission; and Han Mingyou [7281 2494 2089], Yang Chengyu [2799 2052 5148], and Hu Liping [5170 0448 1627], staff member and workers of the office. One of the onlookers was a cadre of a party committee organization. Zhu Qikai said that he had only been there a short time, and that when another person had left he had taken his place at the table. We asked Han Mingyou if they had been gambling with money. With embarrassment he replied, "Money makes the game meaningful, if money were not involved no one would play!"

Later we paid a visit to You Zhongyi [1429 1813 5030], standing committee member of the city party committee and head of this office. He said that since last year the city party committee had transferred a large number of cadres to the countryside for socialist education and to control the gambling done by peasants. Unexpectedly, the backyard "caught fire," which was distressing!

In our investigation we also discovered that during office hours there was no one on duty in some departments of the city party committee. From 3 to 5 PM on 27 February we went on three occasions to the offices of the CYL and the city party committee. The doors to these offices were open and the telephones in them were constantly ringing, but no one could be seen. The door to the Party History Office was open, but there was no trace of a human presence. A middle-aged woman named Wang [3769], who had gone to the Science Coordination Office on business, waited two hours without seeing any work personnel there. But in a large office on the fourth floor six or seven persons were huddled together playing Chinese chess.

### Follow-Up Taken on Action

92CM02368 Xian SHAANXI RIBAO in Chinese  
25 Mar 92 p 1

[Article by staff reporters Liu Dongming and Jia Yufeng: "Yulin City Party Committee Severely Punishes Personnel Who Gambled"]

[Text] The problem of some personnel of Yulin City party committee organizations engaging in gambling during office hours has been thoroughly investigated. The other day the Yulin City party committee held a meeting of all its cadres, staff and workers, and publicly punished 25 persons who had engaged in gambling activities.

On 5 March, after this newspaper had broken the story about some cadres, staff and workers of the Yulin City party committee gambling during office hours, the Yulin Prefecture party committee immediately decided to have a responsible comrade of the prefecture's Discipline Inspection Commission lead a group to form a work team that would help the Yulin City party committee make a serious investigation of this "gambling incident."

In accordance with the spirit of the instructions given by the provincial and prefectural leaders, the Yulin City party committee, with the guidance and help of the prefecture party committee's work team, adopted the "three integrations" method: integrating study and inspection, self-inspection and mutual inspection, and universal inspection and key point inspection. After getting the work of ferreting out the culprits fully under way, it found out that 25 persons in the organizations had gambled during office hours. Among them, five were department or bureau leaders, nine were ordinary cadres, and 11 were workers.

On the afternoon of 23 March, the Yulin City party committee held a rally of the cadres, staff and workers of city-level organizations at which the personnel who had engaged in gambling were publicly punished. Meng Fanlin [1322 0416 2651], director of the Party History Research Institute of the city party committee, an institute in which the gambling was comparatively serious, was punished by being placed on probation within the party (under the party constitution this means automatic dismissal from his post). Four department and bureau leaders—Wei Bingxin [7614 3521 0207], secretary of the party committee of a city party committee organization; Wei Lin [7614 3829], director of the State Security Bureau of the city party committee; Bai Zhiqiang [4101 1807 1730], deputy secretary of the CYL city party committee; and Zhu Qikai [4281 0796 0418], standing committee member of the Discipline Inspection Commission of the former city party committee—were punished by being given a serious warning within the party. Six cadres, staff and workers of the city party committee organizations who had engaged in gambling activities were separately punished by being given a warning within the party. The remaining 14 persons, whose involvement in this case was fairly light, were separately punished by being given economic fines, extension of the party member probationary period, and temporary work dismissal work. At the rally the principal leader of the city party committee, representing the city party committee, publicly examined the bureaucratic work style

and serious dereliction of duty existing in its organizations, and put forward specific measures and opinions for the future improvement of the organizations' work style.

## FOREIGN TRADE, INVESTMENT

### 'Systematic Change' in Trade System Endorsed

92CE01294 Beijing GUOJI MAOYI WENJI  
[INTERNATIONAL TRADE JOURNAL] in Chinese  
No. 1, 30 Jan 92 pp 45-50

[Article by Bian Zhenhu (b708 2182 3840) "Export Business Policy Problems During Change-over of the Foreign Trade System"]

[Text] With the increasing commercialization and socialization of China's economy, and as it opens further to the outside world, export business policy has become an important lever for linking together the domestic and foreign economies and for improving the overall quality of China's economy. Effective implementation of export business policy cannot be divorced from the domestic economic system and particularly from the important external factor of the foreign trade system. This article will study the effect on implementation of import business policy of the change-over of the foreign trade system, and it will use this study as a basis for examining how best to perfect and implement export business policy effectively.

#### (1)

In 1991, China's foreign trade system entered an important period of intensified reform and mechanism conversion. In past foreign trade system reforms, the foreign trade sector devoted a fair amount of attention to the delegation and decentralization of operating authority in an effort to enhance and augment the mechanisms of government departments, regions, and enterprises for stimulating increased returns, by which it meant effectively arousing the interest of all in expanding exports. This held extremely important significance for remedying the shortcomings of "excessive centralization and over control." However, it neither touched on nor overcame various conflicts and problems affecting the development and reform of foreign trade such as the very great dependence of local governments and enterprises on export subsidies. In other words, no marked changes were made in the country's foreign trade operating mechanism. With increase in the scale of exports and the relative shrinking of government's ability to provide financial support, changing this operating mechanism has become a key element and an important issue in further reform of the foreign trade system.

International experience and both internal and external conditions for the development of China's foreign trade show that changing the foreign trade operating mechanism will require a process. Therefore, in a certain sense, one might say that the country's present foreign trade

system is in the trial operation period of a new foreign trade system, and also in a transitional stage of mechanism conversion. It is to be expected that during this change-over or transitional stage, the foreign trade system will have to be oriented toward constant reforms in order to attain the goal of becoming responsible for one's own profits and losses. Furthermore, in the course of adapting to the entire economic system and the foreign trade development climate, it will employ transitional means to regulate the development and operation of foreign trade. Given this background, the perfection and implementation of export business policy is bound to be affected by influences from many directions.

#### (2)

The effect on the country's export business policy of changes in the foreign trade mechanism will be manifested in the following two ways. First completion of the change-over of the foreign trade system and further implementation of the export business policy will lay the foundation needed for creation of a better organization system climate; and second there may be numerous elements in the foreign trade system that are not complete or have not been put in place during the change-over. In the process of adapting to the change-over, enterprises will also be hard put to adjust the orientation of their own operating plans, strategies, and returns entirely according to the requirements of export business policy. In this connection, we will first focus on an analysis of the effect and the role of the foreign trade system turnover on implementation of export business policy.

To begin with, one basic principle in the intensification of foreign trade system reform is to give impetus to the mechanism whereby enterprises assume responsibility for their own profits and losses. When they assume this responsibility, foreign trade enterprises' and export production enterprises' returns from production will be decided to a greater extent by the market and by their own production and administration standards. Consequently, a preliminary basis will more likely exist for the effective implementation of export business policy in which the export product mix and the export business structure are optimized. This is because the promotion of various policies centering around export business policy goals can play a direct or an indirect role on enterprises, and the returns mechanism can spur or guide the orientation of enterprises' production and business.

In addition, when enterprises are responsible for their own profits and losses, they will have to improve further their authority and their ability to make their own decisions and to operate independently. Enterprises will be able to make their own choices and react on the basis of the size of their returns in determining the basic content of export policy in various regards. With regard to policies on business structure and the make-up of products to be exported, for example, enterprises can be guided by policies about export business structure, and make their own choices about production and the kinds



of products they will sell. In this way, they can both meet policy orientation requirements, and also meet enterprise requirements for making a profit. Another example having to do with export business organizational policy is that production enterprises and foreign trade enterprises may choose a suitable enterprise organizational form based on their own responsibility for profits and losses. Depending on their individual returns, they can select a partnership, a cooperative arrangement, or group management as an organizational form. In short, the advent and spread of the mechanism for assuming responsibility for one's own profits and losses is a crucial element in stimulating enterprises' latent vitality, and bringing into play the vitality of foreign trade enterprises and export production enterprises is an important basis for effective implementation of export business policy.

Second, with implementation of the mechanism for assuming responsibility for one's own profits and losses, state macroeconomic regulation and control methods used for business activities will be enhanced and standardized, thereby forming an important support for implementation of export business policy. We know that when foreign trade enterprises and export production enterprises rely heavily on state financial support, the state has very little leeway for regulating and controlling enterprise actions. The requirements of so-called export business policies, and policies for improvement in the kinds of goods exported frequently conflict with pressures to increase exports. The fact is that the improvement to a certain extent of the kinds of goods exported from China in recent years, certain policy factors aside, is substantially a "by-product" of total export growth (or overly rapid growth of total volume). This means that when it is already difficult to meet total growth requirements because of the export of certain kinds of goods, products that more-or-less meet requirements for improving the make-up of exports are forced into the export realm, nevertheless, even though returns from their export are not good. Abolition of government financial support causing enterprises to turn to the market and to internal administration and management to make a profit, will provide greater leeway for macroeconomic management, regulation, and control.

If one were to say that under the existing system state macroeconomic regulation and control of foreign trade is expressed through "passive" support, then as a result of the formation of this new system, regulation and control will be very dynamic. In the implementation of export business policy, this dynamism will be expressed generally in three regards as follows. First, as a result of the readjustment of renminbi exchange rates, most enterprises are already able to increase their own returns by expanding exports. Given the orientation of state macroeconomic regulation and control policies, no longer is it necessary to consider ways to increase total export volume. Instead, emphasis may be given to supporting implementation of export business policy. Second, economic policy tools such as tax rebates and loan interest

rates are largely under state control. Now that subsidies are to be abolished and enterprises' authority to make their own decisions enhanced, these policy tools have become principal means for regulating and controlling foreign trade activity. Thus, local government and departmental restrictions, and improper "nonmacroeconomic" interference can be reduced, ensuring that macroeconomic policy tools will support or provide regulation and control in the implementation of export business policy. Third, the two functions of drawing up and using policy measures to implement export business policy will both be concentrated at the macroeconomic level. This will help in the realization of export business policy goals, and it will allow a more accurate understanding of the relationship between long-range and short-range returns, and between some partial and overall benefits in the process of implementing export business policy.

Third under a foreign trade system in which enterprises are responsible for their own profits and losses, local governments can rid themselves of onerous tasks, the principal one of which is administration of norms. They can use necessary coordination, regulation, and control to implement macroeconomic management and to develop strategy. In this sense, noneconomic intervention in enterprises to implement import business policy for the sake of returns can be reduced, and local government coordination and management carried out in accordance with the strategic macroeconomic orientation will provide powerful support and assistance to enterprises in carrying out business activities and improving economic returns as export business policy requires.

Under the previous foreign trade system in which local governments mostly divided up tasks for contracting, local government administrative intervention in foreign trade enterprises and export production enterprises was fairly widespread and intense because of pressures to fulfill contract norms. One direct result of this intervention was to divide up the domestic market and to reduce economic contacts between one region and another. This resulted in the make-up of export commodities and the industrial structure becoming very much the same everywhere. As a result, returns from the allocation of resources nationwide declined as the overall quality of the export business declined. Reform measures to intensify foreign trade system reform in which the mechanism to make enterprises responsible for their own profits and losses is the centerpiece have corrected and overcome this policy bias to a very large extent. Under the new foreign trade system, the main goal of enterprises' activity has changed from fulfillment of the contract norms that the local government hands down to the improvement of economic returns. Local governments are thus largely in the position of implementing a unified policy, and in providing coordination, administration, and services. This has correspondingly eased fights over returns and buck passing between enterprises and local governments. Thus, when governments carry out export

business policy, they can only give greater consideration to enterprise returns, and employ relatively standardized regulation, control, and management to ensure that enterprise act in ways that are consistent with the orientation of macroeconomic development. For example, under the new system, no longer does a reason exist for local governments to reduce the superiority of the kinds of products that a local area exports in order to produce a homogeneous regional export make-up. This has created the requisite conditions for optimization of export products and the structure of the export business. Another example is the abolition of unequal policies between one region and another. This makes for a more rational inter-regional division of labor, which helps shape a highly efficient regional business allocation pattern. Yet another example is that contacts and coordination among foreign trade enterprises, export production enterprises, and all sorts of business concerns will be based more on enterprise returns, and export business policy will guide contacts and coordination among enterprises through the returns mechanism. This will decrease to a very large extent the unwarranted interference of local governments and authorities in change in industry and trade link-ups and various lateral foreign trade partnerships. It will also help shape a fairly rational export business organizational structure, etc. Obviously, so long as local governments exercise substantial regulation and control over foreign trade, it is still extremely necessary to shift the emphasis of their role through readjustment of the mechanism toward macroeconomic management in a true sense, and toward carrying out export business policy, particularly exercising control over the orientation of export business policy.

(3)

In its important role of ensuring implementation of export business policy, the foreign trade system will have to continue to make improvements and readjustments for a long time to come. This is because the change-over of systems and shortcomings of the system itself have a bad effect on many aspects of export business policy. First is the crossing of wires during the system change-over, which interferes with growth and development of the new system, thereby hurting effective system regulation and needed support for export business policy. In addition, inasmuch as enterprises in the midst of a system change-over do not have in being either a mechanism for, or the capability to operate in accordance with business policy guidance, their role in the implementation of enterprise export business policy is either not complete or may even be "skewed."

According to the writer's preliminary analysis, the deleterious effects on implementation of export business policy, or the problems that may arise in the process of the system change-over are generally in the following three regards:

First, during the change over in the foreign trade system, the ability of business concerns to adapt to the environment and develop themselves requires a process of

gradual strengthening and improvement. A built-in mechanism for executing export business policy can hardly be shaped rapidly.

The pressure exerted on enterprises by measures for the intensification of reform, at the core of which is responsibility for one's own profits and losses, are readily apparent. Business enterprises face major changes in the external environment requiring that they consider, first of all, every possible way to maintain their existence. Thus, they do not want, nor are they able to make, changes in their operating strategy and their job orientation to meet the requirements of export business policy. It should be said that abolition of the subsidy mechanism is a primary requisite for forcing enterprises to increase their self-development capabilities, and for paying serious attention to the enforcement of export business policies. However, this is only an issue of "burning one's bridges behind one." Ensuring effective implementation of export business policy also requires providing enterprises with organizational and policy conditions that enable enterprises to relying on changes in their operating strategy, readjustment of their export products, and changes in enterprise organization to create avenues for increasing enterprise returns. In this sense, although the foreign trade system is able to limit enterprise actions during transition, a needed regulatory mechanism is lacking. Therefore, the leading and guiding role of export business policy on enterprises may be placed in a secondary position.

Second, during foreign trade system reform, inasmuch as associated policies are not well developed, the function of export business policy is weakened or limited.

This problem shows up mostly in two regards. Foreign trade system reform is not sufficiently dovetailed with reforms in other fields. This limits the function of the foreign trade system in supporting and regulating execution of foreign trade business policy. Second, the specific actions and steps taken in trade system reform per se hurt the substantive development of reform, and also hurt the completeness and the effectiveness of export business policy.

Regarding the dovetailing of foreign trade reform with reforms in other areas, the unified policy and the responsibility for one's own profits and losses that trade system reform promotes do not entirely coincide with many aspects of the national economic control system. For example, the planning system maintains a fairly large number of command style plan measures with regard to foreign trade, and the planning system for development of foreign trade is quite rigid, and even contains definite anti-export and anti-structural adjustment elements in policies toward certain vocations (including certain export businesses). The price system is also far from orderly. This is a principal element of inequality for both foreign trade enterprises and export production enterprises. The necessary prerequisites are lacking for export businesses to rely on prices, allowing returns to guide

readjustment and development. The production enterprise system continues to maintain mostly a contract management responsibility form. Enterprises are largely still unable to take the initiative in taking part in foreign trade activities and in regulating their product mix and their operating orientation. Ill-defined property rights relationships, in particular, hurt optimization of the export business organizational structure and the development of blocs. The foregoing problems show that the new foreign trade system and the management system of many other areas in the national economy operate on "two tracks." No major progress in developing and readjusting export enterprises and the export business is likely in the existing organizational climate.

It is true that the uncoordinated elements in the foreign trade system, including multiple relationships, are not smooth, so even after the mechanism for making enterprises responsible for their own profits and losses has been put into effect, it will still be difficult to set everything right. Nevertheless, the main problem in perfecting and implementing the export business policy is that reform thinking does not focus on plans for the development of the export business. In other words, the first and the most important goal of reform that has as its focus enterprise responsibility for their own profits and losses is the promotion of foreign trade, particularly development of high returns from the export trade (foreign trade economic returns). Other matters such as foreign trade to stimulate the development of production and to support the development of foreign trade and the economy by rationalizing and upgrading the export business structure receive secondary consideration. Take foreign trade regulation and control methods, virtually all of which generally emphasize stimulation of aggregate exports, while regulation and control of the ranking of export businesses, the structure of export enterprises, and export priorities varies or is inconsistent. For example, the customs duty lever, which rewards exports and limits imports, has not been effective in fostering growth of China's import substitution industries, and export tax rebate policies have not resulted in the prioritizing of different products and industries. For these reasons, a bias exists against the products and the industries that export policy has encouraged. The "dynamics" of credit and interest rate levers have not sufficiently stimulated development of externally oriented business and an upgrading of the export business structure. Specifically, since credit methods tend to be rigid and undiversified, they can scarcely provide support for the development of export businesses entailing a lot of risk, but that are consistent with industrial policy requirements. In recent years, a series of policies and measures for rewarding exports have been presented one after another, most of them of a short-term nature and largely uncoordinated with import controls. This has had a poor effect on the development of some import businesses and import substitution industries. These kinds of problems show that the foreign trade system that is now in process of transformation is still unable to support effective implementation of export business policy. It

must be said that this is an important and pervasive issue in the intensification of foreign trade system reform.

Third, in the current climate of continuing improvement of the economic environment and rectification of the economic order, as well as substantial pressures for development of the economy and foreign trade, implementation of export business policy faces numerous real difficulties.

Because the system has not been developed fully, and because of various problems in the guiding thought for economic development, industrial policy and export business policy still find it difficult to serve as a foundation for development and reform. Consequently, the range and the make-up of exports and imports frequently passively meet needs of short-term development of the domestic economy, and because of the regulation of the mechanism for assuming responsibility for one's own profits and losses, and efforts to improve the variety of products and the organizational structure, businesses are extremely likely to be limited by the overall goals for economic development. Because of the need for them to support development and support a rapid pace, units responsible for managing the economy lack the strength to plan and regulate development of the economy and foreign trade according to a series of priorities for industrial development. When the separation between central government and local government units, and the factors that impede contacts within industry and within the economy are taken into account as well, the limitations on implementation of export business policy cannot be underestimated.

#### (4)

On the basis of the foregoing analysis, the writer believes that the external conditions, particularly the organizational conditions for implementation of an export business policy that can serve as a foundation for the development of foreign trade are not in the making. This is a major problem for further intensification of foreign trade system reform. Certainly, the revision and completion of policies themselves are prerequisites for ensuring effective implementation of export business policy. This includes clear-cut priorities for industrial development, enhancing the guiding role of industrial policies in the development of the economy, strengthening mechanisms for stimulating returns, etc. However, in terms of the state of development and reform of the economy and trade, the focus and thoroughgoing promotion of foreign trade system reform and associated reforms remains a realistic way in which to assure effective implementation of export business policy. The following measures and recommendations are made for this purpose:

First is to carry out foreign trade system reform measures as part of industrial development.

Not only is it necessary to continue to adhere to the inculcation of strong production concepts in foreign trade and serious attention to macroeconomic returns from foreign trade, but emphasis must also be given to



linking the mechanism for assumption of responsibility for one's own profits and losses in foreign trade to export business policy requirements. Specifically, it is necessary, first of all, to use the mechanism whereby foreign trade concerns are responsible for their own profits and losses to make production concerns responsible for their own profits and losses as well, inasmuch as the latter is the foundation for the former. It is necessary to change the situation in which foreign trade concerns "swallow" or cut their losses because of changes in the returns of production concerns, enabling the mechanism for profit and loss to work deep down in regulating the activities of foreign trade enterprises, controlling the substance, the scale, and the returns of their activities. In addition, this principle must be followed in handling the benefits relationship between foreign trade enterprises and export producing enterprises, producing enterprises having the scale and make-up of their export production on returns, thereby suiting production better to foreign trade export demand.

Second, tailored guidance to foreign trade and to production enterprises must be improved during reform. Institution of an operating mechanism of responsibility for one's own profits and losses is fundamental to reform of the foreign trade system. Varying degrees of difficulties and problems continue in suiting major organizational change-overs to enterprises that produce and sell different kinds of products, and whose scale of production and business, as well as their form of organization differ. Tailored guidance will be required to complete and put in place the various reform measures in order to improve enterprises responsibility for their own profits and losses, and their ability to put export business policy into effect. When an equal policy climate exists between one area and another, continued economic support for the export of various primary products (such as some farm and livestock products) will have to be considered. First preference will have to be given to stimulating and organizing export enterprise blocs of technology-intensive industries as turnkeys, while simultaneously supporting the legitimate rights of other exporting enterprises so as to make the organizational form of export enterprises rational.

Second is the promotion of comprehensive associated reforms, improving economic policy measures for implementing export business policy.

The promotion of comprehensive associated reforms (i.e., reforms in organizations related to foreign trade) deserve consideration in foreign trade system reform. In terms of foreign trade system operation and the implementation of export business policy, comprehensive associated reforms can greatly improve the development of foreign trade, and the functioning of numerous regulatory and control methods in carrying out export business policy. Therefore, tax system reform centered around tax rebates, added value taxes, and the separation of taxes and profits is needed so that tax revenues

truly become effective levers for regulating and controlling the development of export businesses. In the intensification of financial system reform, credit and interest rate levers must be tilted further in the direction of foreign trade. The extent to which finance regulates and controls the development of foreign trade and improves the trade structure must be increased, and financial markets must be invigorated and developed under macroeconomic direction to provide financial report and requisite financing for optimization of foreign trade commodities and the organizational structure. "Parallel tracks" in a "two track system" of prices is imperative, but the "parallel tracks" have to be well coordinated with reform, the straightening out of price ratios becoming a key element in price reform. Two points must be given attention in this regard. First is use of the "parallel tracks" to control abnormal price rises to ease price pressures for foreign trade enterprises. Second is adjustment of the distortions that exist in the price ratio between primary products and manufactures in order to comply with the need to encourage deep and fine processing of products for export. Other matters such as foreign exchange, material resources, and labor resources control should also be reformed and readjusted, the focus being on foreign trade enterprises assumption of responsibility for their own profits and losses, and making them profitable.

Third is a shift away from quota control in the macro-management of foreign trade to policy regulation for the most part.

Here it should be noted that this is actually a matter of how units in charge respond to and promote enterprise responsibility for their own profits and losses. I believe that while making clear the orientation of enterprises assuming responsibility for their own profits and losses, the retention or the disguised implementation of quota control is ill-advised. It does not help enterprises develop autonomous operations, nor does it help effective implementation of export business policy. For the present and a long time to come, except for handing down overall export and import quotas, generally no further quota controls for business enterprises should be implemented. This problem is expressed in central government units in charge mostly in the form of restrictions on flexible business practices by enterprises (such as linking imports to exports). In local governments, it shows up in disguised interference in the activities of enterprises, such as local government agencies in charge issuing profit quotas that improperly take profits away from well-off concerns and give them to concerns that are not doing well. This protects those enterprises and products that do not conform to the orientation of export business development but that export a certain amount. They also issue added export quotas that force enterprises to export more despite low returns and inferior quality.

I feel that under a system of equal competition and responsibility for one's own profits and losses, units in charge should mostly emphasize policies and rules and regulations in exercising regulation and control. In the

raising of funds, making structural readjustments, and the scale of exports, units in charge should mostly regulate and coordinate business concerns' behavior through policies and services. Even if there is something that individual enterprises cannot do, but that has to be done for the sake of overall development, such as improving basic conditions in some industries, or providing development funds, and that requires "taking from enterprises for the use of enterprises," enterprises themselves should be permitted to make their own choices on the basis of their own circumstances. Even more so, methods that employ quotas and administrative directives that limit enterprises in developing cooperation within an industry or between industries or even restricts the organization of enterprise blocs must be abandoned in the operation of the new system.

Special attention must be given to eradicating the limitations on and interference in export businesses and the development of export enterprises of the contract system, all possible done to nurture vitality for the development of enterprises, and policy measures used to channel this vitality in a direction where it can fulfill export business policy goals.

Fourth is the implementation of correct and vigorous control and intervention measures regarding industrial priorities and export business policy controls to straighten out the relationship between the export business and all aspects of the national economy, as well as within exporting businesses.

In the operation of the new foreign trade system, not only should the mechanism for making enterprises responsible for their own profits and losses guide and give impetus to foreign trade enterprises, and export production enterprises implement export business policy, but correct and vigorous intervention and limitation measures are also needed to foster growth of the export business, and to make sure that such businesses truly take an externally oriented path of development. The degree of intervention and limitation will depend on priorities for development of export business. In China,

in particular, where the kinds of products export do not correspond to the industrial structure causing distortions, it is particularly necessary to guard against the importation of products that are not urgently needed that clash with the imports needed to upgrade the industrial structure. In addition, strengthening the foundation for China's development of the export business also requires effective control over the orientation of industries associated with, serving or providing raw materials and intermediary products to the export business so that they genuinely follow a course that serves export business orientation and the development of the export business.

Yet another important task having a direct bearing on implementation of export business policy is straightening out the relationship of export businesses with the national economy as well as within the export business itself. This means making export business policies specific and complete. In this regard, two points deserve emphasis. The first, looked at from the angle of the national economy as a whole, is setting up of mainstay businesses and leading businesses among export businesses, placing them in an important position for development of the export business, and in a key position in the export business framework. Correspondingly, the important position of these businesses must embody the whole process of creation of the economic structure, organization of the export business, and optimization of the make-up of export commodities. Second is very great emphasis on understanding the meaning of "industrialization of foreign trade," by which is meant both using increased returns as a basis for cementing the inherent relationship between foreign trade and all aspects of the national economy, and the need to adhere to the relative independence of the foreign trade business. This means following the basic standards of international economic activity, acting in a unified matter in a situation in which one's overall economic level is relatively low. In this sense, straightening out the foreign trade order also requires continued efforts as reform of the foreign trade system intensifies and the export business develops.

## NORTH REGION

### Inner Mongolian Secretary Reports on Agriculture

SK0504071792 Hohhot NEIMENGGU RIBAO

in Chinese 26 Jan 92 pp 1-3

[Report by Wang Qun, secretary of the autonomous regional party committee, at the fourth (enlarged) session of the fifth autonomous regional party committee on 29 December 1991. "Conduct Reforms, Create Something New, Rouse Ourselves to Vigorous Efforts To Make the Region Prosperous, and Vigorously Create a New Situation in the Region's Agricultural and Animal Husbandry Undertakings and in Rural and Pastoral Work"]

[Text] Comrades, The fourth (enlarged) session of the Fifth Inner Mongolia Autonomous Regional CPC Committee is aimed at implementing the spirit of the Eighth Plenary Session of the 13th CPC Central Committee and especially studying rural and pastoral work. Major tasks for the (enlarged) session are as follows: Efforts should be made to further unify thinking and upgrade understanding by regarding the "decision" made by the CPC Central Committee with regard to further enhancing agriculture and rural work; to summarize the experience gained in the past, to define goals, and to formulate policies and measures by proceeding from the region's realities, and to mobilize the CPC members and the people of various nationalities throughout the region to strive to create a new situation in the region's agricultural and animal husbandry undertakings and in rural and pastoral work.

Entrusted by the autonomous regional party standing committee, I would like to make a report on developing agricultural and animal husbandry undertakings in the region during the 1990s and conducting rural and pastoral work and to present the report for examination and approval by the present session.

#### 1. A Review of Agricultural and Animal Husbandry Undertakings and Rural and Pastoral Work During the 1980s

Our region, like the country as a whole, achieved rapid development in the national economy and showed an obvious increase in economic actual strength. Also, the vast number of people obtained practical benefits during the period of 1980s. Regarded as a foundation of the region's economy, agriculture played a decisive role in the period. Party organizations at all levels throughout our region unwaveringly implemented the line, principles, and policies formulated since the Third Plenary Session of the 11th CPC Central Committee during the 1980s. They led the people of various nationalities to do a great deal of fruitful work by holding high the "banner" of carrying out unity and construction, conducting reform, and opening to the outside world; upholding economic construction as a center; and by persistently placing agricultural and animal husbandry development and rural and pastoral work in the first position. They

also enabled rural villages and pastoral areas to incur a series of historic changes that are as follows:

Reforms in rural villages and pastoral areas scored obvious effects. Since the Third Plenary Session of the 11th CPC Central Committee, our region has earlier enforced the contracting system in both fodder grass and livestock production with the household responsibility system linked to its output as an emphasis, overcome the malpractice cropping up in the outdated systems, such as rigid control and eating from the same pot, brought into play the enthusiasm and creativeness of peasants and herdsmen, and has further emancipated the social productive forces in rural villages and pastoral areas.

The material and technical foundations of rural villages and pastoral areas were somewhat enhanced, whose capabilities in preventing and combating natural disasters were further upgraded. Over the past 10 years, the broad masses of peasants and herdsmen have vigorously carried out farmland and pastoral farm capital construction with water conservancy as a center by displaying the spirit of self-reliance and arduous struggle and by persistently relying on science and technology to make agriculture and animal husbandry prosperous, reinforced the infrastructures and ecological construction, improved their production conditions, and have preliminarily fostered comprehensive productive capability with the annual grain output of 8 billion kg and the annual livestock output of 50 million head.

Agricultural and animal husbandry production entered a new stage. The region's total agricultural output value increased from 3.28 billion yuan in 1980 to 8.1 billion yuan in 1990 (calculated in terms of constant prices of 1980), showing a 1.5-fold increase. The yearly average increase was 9.4 percent. Its total grains output increased from 3.965 billion kg in 1980 to 9.7 billion kg in 1990, showing a 1.5-fold increase. The per capita grain output reached 450 kg. Thus, the region has prefulfilled the basic target of being self-supporting. Of this increase, the total grains output of the Sixth Five-Year Plan showed a 4.06 billion kg and 17 percent increase over that of the Fifth Five-Year Plan and that of the Seventh Five-Year Plan showed a 7.26 billion kg and 25.9 percent increase over that of the Sixth Five-Year Plan. The oil-bearing seeds output showed a 1.8-fold increase and that of beets showed a 1.9-fold increase. The number of animals increased from 46.57 million head in 1980 to 53.07 million head in 1990, showing a 1.4-fold increase. The production structure in rural villages and pastoral areas changed. Of the total output value of agriculture and animal husbandry, the proportion of output value of forestry, sideline production, and fishery increased from 9.6 percent in 1980 to 16.4 percent in 1990, and that of sideline production showed a 3.9-fold increase in the 10-year period.

Township enterprises witnessed speedy development. In the 10 years, the output value of township enterprises grew at a rate of nearly 30 percent every year, and it



reached 5.62 billion yuan by 1990, an increase of 15 times over 1980. The development of township enterprises effected a notable change in the economic structure in rural and pastoral areas. By 1990, the output value of the nonagricultural production in rural and pastoral areas accounted for 23 percent of the total agricultural output value.

The income of peasants and herdsmen doubled and redoubled. They basically had sufficient food and clothing and were marching toward a fairly comfortable life. Their per-capita net income rose from 192 yuan in 1980 to 647 yuan in 1990, increasing by 2.37 times, exceeding the national average, and ranking 14th in the 30 provinces, municipalities, and regions of the country. Peasants' per capita income grew from 181 to 607 yuan, up 2.35 times, and herdsmen's income from 265 to 906 yuan, up 2.42 times. The vast number of peasants and herdsmen witnessed substantial improvement in their clothing, food, housing, transportation, daily necessities, and cultural life. According to sample surveys, every 100 peasant households in the region had 42 television sets, and every 100 herdsmen households had 51 by the end of 1990.

The quality of peasants and herdsmen was notably improved, and a profound change took shape in the outlook of rural and pastoral areas. In the past 10 years, we comprehensively implemented the party's basic line and attached importance to building the spiritual civilization while promoting the material civilization. People of various nationalities and the vast number of grass-roots cadres upgraded their scientific and cultural levels fairly greatly and increasingly enhanced their sense of reform, opening up, and the commodity economy. We achieved encouraging results in improving democracy and the legal system and in conducting political and ideological education, achieved political stability, economic development, caused the culture to flourish, and national accord in rural and pastoral areas, enabled the people of various nationalities to live and work in peace and contentment, and effected a great change in the social environment and social outlook.

Achievements in the 10 years eloquently proved that the 1980s was a brilliant decade in the history of the development of Inner Mongolia's rural and pastoral areas and an important period in which peasants and herdsmen of various nationalities strode across the line of merely having enough food and clothing and marched toward a fairly comfortable life. They also proved that the party's basic policies for rural reform and agricultural development implemented since the third plenary session of the 11th party Central Committee were totally correct and that the autonomous regional party committee and party organizations at all levels had been unswerving and had achieved fruitful results in implementing the party's rural and pastoral policies. The tremendous achievements over the 10 years were the results of the painstaking labor of cadres and ordinary people of various nationalities and the result of the concerted efforts of all fronts and quarters throughout the region.

When summarizing experiences and affirming achievements, we should also remain clear-headed to note that there are still many problems in Inner Mongolia's agriculture, animal husbandry, and rural and pastoral work. Conditions for agricultural and animal husbandry production are still poor and the capacity for resisting natural calamities remains weak. Most localities have little economic strength at their disposal except for land and grassland, their socialized services system is very imperfect, and their service lags far behind the need in the development of productive forces. With impeded circulation channels, rural and pastoral areas have yet to resolve their difficulties in selling farm and animal products. The level in applying science and technology to the development of agriculture and animal husbandry, the level in comprehensive agricultural development, and the economic efficiency in agriculture and animal husbandry remain low. A small number of peasants and herdsmen still live in poverty. In some rural and pastoral areas, ideological and political work is weak, grass-roots organizations are flabby and slack, public security is poor, feudal and superstitious activities and other undesirable customs are rising. The aforementioned problems seriously restrict the continuous economic and social development in rural and pastoral areas, and we should pay great attention to them. Meanwhile, we should also note that these problems are ones arising in the process of development and advancement. As long as we face up to contradictions and difficulties and make more efforts to adopt realistic and effective measures, we should be able to overcome the difficulties and achieve still greater development and progress in the economic and social undertakings in rural and pastoral areas.

Reviewing the great practice of the rural and pastoral work during the 1980s, we gained the following few useful points of enlightenment:

We must firmly cultivate a guiding ideology of taking agriculture and animal husbandry as the foundation, and realistically strengthen leadership over agriculture, animal husbandry, and the rural and pastoral work. The agricultural and animal husbandry issue is always an issue of top priority in our region's economic life. The agricultural and animal husbandry foundation status must not vacillate in slightest degree. If we vacillate in this foundation, it is difficult for the peasants and herdsmen of various nationalities that account for a majority of the population to live a secure and happy life but will also seriously affect the production and life of the urban people. Our leaders at all levels clearly understand this. As early as the early 1980s, our region first started its economic structural reform in the rural and pastoral areas. Actually, the fifth enlarged plenary session of the fourth regional party committee held in 1987 was an important meeting to further unify the understanding of the people inside the party and to strengthen the status of agriculture and animal husbandry as the foundation. The fifth party congress also further set forth the demand of realistically strengthening the status of agriculture and animal husbandry as the foundation. In

line with the demands and plans of the regional party committee, all localities devoted more leadership strength to agriculture, animal husbandry, and the rural and pastoral work. The building of grass-roots party organizations was further strengthened and they played a core and leadership role in the rural and pastoral work. A social atmosphere of paying attention to and running agriculture and animal husbandry on a large scale was gradually formed in the whole region. This was the key to enabling our region's agriculture and animal husbandry to enter a new stage.

We must unswervingly persist in reforms and opening up and unceasingly instill new vitality in the development of the rural and pastoral areas. Without the policies on reforms and opening to the outside world, there can be no historical changes in the rural and pastoral areas; the good prospects of the rural and pastoral areas must be realized in the course of deepening reforms and opening wider to the outside world. Practice shows that localities where leaders emancipated their minds further and broadened their views in reforms and the opening up policy economic developments were surely quicker than in other localities and their various fields of work more vigorous.

We must firmly cultivate the ideology that science and technology are the primary productive forces and adhere to the development strategy of using scientific and technological education to develop agriculture and animal husbandry. Over the last few years, the ideology that science and technology are the primary productive forces has been accepted by more and more people. The implementation of the "spark," "prairie," and "bumper harvest" plans made the broad masses of cadres and the peasants and herdsmen of various nationalities gradually sense the tremendous power of science and technology. The activities on bringing in, demonstrating, and popularizing scientific and technological achievements were extensively carried out on the forefront of production in the agricultural and animal husbandry sectors. This was one of the most important reasons for our success in pushing the agricultural and animal husbandry sectors of the economy to a new stage.

We must unswervingly follow the road of comprehensive development by combining agriculture, animal husbandry, and forestry and by diversifying the economy. Practice has already proved that the guiding ideology proposed by the regional party committee on coordinately developing agriculture, animal husbandry, forestry, and industry is absolutely in conformity with our region's reality. As long as we continue to persist in the principle of achieving comprehensive development by combining agriculture with animal husbandry and forestry and by diversifying the economy in line with local conditions, we will be able not only to create a situation of "making one industry predominant while invigorating all other industries," promote economic development in the rural and pastoral areas, and improve the material life of peasants and herdsmen, but also to bring about new changes in the social outlook.

We must firmly rely on peasants and herdsmen, display the spirit of self reliance and arduous struggle, and unswervingly and vigorously build the foundation of agriculture and animal husbandry. The more stable development achieved by our region in agriculture and animal husbandry is chiefly because the region has enhanced the construction of infrastructures and somewhat improved production conditions. To make the agricultural and animal husbandry economy prosperous, our region also must further mobilize the masses to display the spirit of the foolish old man removing the mountains, to carry forward struggles year after year, and to emphatically improve production conditions. This represents a crucial measure or long-term plan for developing agriculture and animal husbandry.

We must build the two civilizations simultaneously and unswervingly follow the socialist road with Chinese characteristics. This represents a correct orientation upheld by those who are in charge of rural and pastoral work. Under no circumstance should we hesitate or waver in this regard. If rural villages and pastoral areas deviate from the socialist road and do not enjoy a good political and social environment, they will not only achieve no development but also suffer retrogression and bring about disasters to the people. Over the past few years, rural villages and pastoral areas throughout the region have achieved rapid economic development, which cannot be separated from upholding of principles of building the two civilizations simultaneously and ensuring social and political stability and unity for the nationalities. The stable environment of politics and the excellent situation in the unity of nationalities have been created by relying on the fruitful ideological and political work and on the construction of the two civilizations and represent the vivid manifestation of socialist cohesion. As for such a fundamental experience, we must unswervingly carry it forward.

## 2. The Targets and Tasks of the 1990's

The 1990s is a crucial period for our region to make progress in building socialist modernizations. During the period, the country as a whole will successfully realize the better-off target and vigorously create a new situation in agriculture and rural work along with the course of fulfilling the second-phase strategic target of economic and social development. Our autonomous region also must catch up with the advances made by the people of various nationalities throughout the country.

During the 1990s, our region should make breakthroughs in agriculture, animal husbandry, and rural and pastoral work. General targets in this regard are as follows: We should create again a new level in agriculture, have peasants reach the better-off target within the given date, have animal husbandry enter a new state, and enable herdsmen to take the lead in becoming better-off. Major tasks in this regard are as follows:

The comprehensive production capability of agriculture and animal husbandry and economic results should be

upgraded in a greater way. As of the end of the Eighth Five-Year Plan, the region's grains output should be about 9 billion kg, and as of the end of the Ninth Five-Year Plan, that should be about 10 billion kg. The region's yield per unit area should reach 175 kg at the end of the Eighth Five-Year Plan and 200 kg at the end of the Ninth Five-Year Plan. The annual number of animals should reach 55 million head by the end of the Eighth Five-Year Plan and 60 million head at the end of the Ninth Five-Year Plan. The proportion of fine-strain large animals and sheep or goats should reach 55 percent at the end of the Eighth Five-Year Plan and 75 percent at the end of the Ninth Five-Year Plan. The output of cash crops, such as beets and oil-bearing seeds, and of animal by-products should show a new increase. The quality and marketable rate of farm and livestock products should be obviously upgraded. The agricultural and animal husbandry economy should achieve great progress toward the targets of stability, fine quality, high yield, and high effects. By the end of this century, rural villages and pastoral areas, based on the foundation of 1990, should double their gross national product and even surpass it. The total output value of township enterprises should quadruple that of 1990 or even more. The secondary and tertiary industries should achieve rapid development. The ecological environment and production conditions should be obviously improved and the scientific and technological levels should be obviously upgraded. Efforts should be made to strive to build our region into an important production base of the country in the fields of animal husbandry, forestry, grains, oil-bearing seeds, and beets.

We must achieve new development in the reform of rural and pastoral areas. The family-based output-related contract responsibility system must be further stabilized, the dual management system whereby unified management is combined with separate management must be unceasingly improved, the socialized services system characterized by coordination of the upper and lower levels and comprehensive functions must be gradually formed, the township (sumu and village (gacha) collective economic strength must be increasingly expanded, and an economic system and operational mechanism that suit the development of the socialist commodity economy must be initially established and continuously improved.

We must enable the life of peasants and herdsmen to attain the level of being comparatively well-off. By the end of the Eighth Five-Year Plan, the average per-capita net income of peasants and herdsmen should reach 900 yuan and 1,300 yuan, respectively, and by 2000, their income should attain the national medium level or above; all herdsmen households can settle down, the average per capita living space of peasants and herdsmen should reach the national average level of that time, and the communications, post and telecommunications, and power supply conditions, and the housing environment should improve noticeably; their means of subsistence should be enriched, the consumption structure should be more rational, and the labor environment should be

greatly improved. The rural and pastoral areas should basically popularize compulsory junior middle school education and further enhance the scientific, technical and cultural level and the degree of civilization of the broad masses of peasants and herdsmen, all townships and sumu should have comprehensive cultural stations and public health centers, all villages and gacha should have cultural centers, public health stations or medical personnel, and epidemic diseases should be basically controlled. The radio and television coverage rate should reach 90 percent or more, the radio and television reception rate should be remarkably enhanced, the cultural life of peasants and herdsmen should be further enriched, and their health should be greatly improved.

We must achieve a new change in the social appearance of the rural and pastoral areas. It is necessary to simultaneously build the material and spiritual civilizations and make economic development and social progress promote each other to form a situation marked by economic invigoration, social and political stability, national unity and progress, sound ideology, a secure and happy life for the people, development of public welfare work, and good public security.

The tasks of creating a new situation in agriculture, animal husbandry and the rural and pastoral work are extremely glorious as well as very arduous. There are lots of contradictions and difficulties facing us, and many new situations and problems will emerge on our road of advance. Communist Party members and cadres of various nationalities across the region must work with redoubled efforts and put in a lot of hard work. Meanwhile, we should recognize that we have many favorable conditions. Judging from the situation of the whole country, thanks to the party Central Committee's great attention, a macro climate of stressing and strengthening agriculture has been formed, the eight basic principles on building a new socialist countryside with Chinese characteristics mentioned in the "decision" adopted at the eighth plenary session have clearly defined a series of principles and policies, further pointed out the orientation for developing agriculture, animal husbandry and rural and pastoral work, and boosted the people's morale; and the formulation of the policies of the party Central Committee on supporting the development of the minority areas and the implementation of the state plan on agricultural comprehensive development have provided a good opportunity for developing our region's agriculture and animal husbandry. Judging from our regional situation, in addition to the favorable conditions of having a vast territory and rich natural resources, we have already laid a very good foundation and accumulated many valuable experiences in our rural and pastoral reforms, building of infrastructure facilities, popularization and application of science and technology, and the agricultural and animal husbandry organizational leadership through more than 40 years of effort, particularly the efforts during the 1980s, the further strengthening of the existing industrial basis and



the completion and operation of key projects will provide greater support for economic and social development in the rural and pastoral areas. In the next 10 years, as long as we fully use the favorable conditions, firmly grasp opportunities, rely on the masses, and engage in arduous struggle, it is absolutely possible for us to successfully realize all objectives and tasks of the 1990s and to achieve prominent progress in the course of promoting economic and social development in the rural and pastoral areas.

**3. Stabilize the Policies of Rural Villages and Pastoral Areas, Develop Socialized Services Systems, and Make New Breakthroughs in Deepening the Reform Drive in Rural Villages and Pastoral Areas**

The orientation and focus of deepening the reform drive in rural villages and pastoral areas in the 1990s are to continuously stabilize the contracting system with the household responsibility system linked to its output as an emphasis, to steadily improve the systems of centralized and decentralized combination and management, to actively develop socialized services systems, to gradually strengthen the practical strength of collective economy, and to lead peasants and herdsmen to follow the road of mutually becoming wealthy. In line with this general demand, rural villages and pastoral areas throughout our region, based on stabilizing the series of basic policies of the party for rural villages and pastoral areas, should make breakthroughs in establishing socialized services systems while conducting reforms, further integrate the "centralized management" with the "decentralized one" through the establishment of socialized services systems and connect the operation among production, supply, and sales, gradually improve the centralized and decentralized management system, reinforce the practical strength of the collective economy, and promote the development of the commodity economy in rural villages and pastoral areas.

A. We should further stabilize the contracting system with the household responsibility system linked to its output as an emphasis and continuously improve the systems of centralized and decentralized combination and management.

The past 10 years have shown that the contracting system and the systems of centralized and decentralized combination and management are totally suitable to the level of productive forces in rural villages and pastoral areas, have exuberant vitality, are deeply welcomed by the broad masses of peasants and herdsmen, and have become a basic system enforced by the organizations of the collective economy in rural villages and pastoral areas. To stabilize rural areas and the people's feeling and to promote economic development in rural villages and pastoral areas, it is imperative to stabilize this basic system and steadily improve it according to the changes of objective conditions and the needs of developing productive forces. In handling this issue, we must be very conscientious and firm and by no means should

we hesitate and waver even slightly. The existing contracts signed for land utilization, grassland development, and livestock production should not be changed, nor should the relation of the ownership of township industrial enterprises. A good job should be continuously done in conducting the follow-up work for the contracting system on management. In line with the principle of paid utilization of land and grassland and of enforcing the responsibility system with specific targets, we should further improve the management of various signed contracts; concentrate on successfully establishing the systems of signing contracts and honoring them; define bilateral rights, duties, and obligation, and implement these right, duties, and obligation in down-to-earth manner.

The work of improving the systems of centralized and decentralized combination and management includes the tasks of improving the decentralized management by having households sign contracts and have the centralized or unified management conducted by collectives. We should have our cadres and the broad masses of peasants and herdsmen understand that the household responsibility system is not the "practice" of sharing the ownership of land and working on their own nor is it to turn the land public ownership into private one, and that the centralized or unified management conducted by collectives is not the "practice" of affiliating all management to the one of key tasks and engaging in egalitarianism and in eating from the same big pot. Both decentralized management of having households sign contracts and centralized or unified management conducted by collectives represent the managerial styles of collective economy in rural villages and pastoral areas. Both of them are coexistent and complement and promote each other. Any neglect to any one will be unfavorable to the healthy economic development in rural villages and pastoral areas. Many localities across the region are becoming weaker in the centralized or unified management conducted by collectives and should gradually improve the contents of this management based on stabilizing the responsibility system of having households sign contracts. All things that cannot be done or done well by households and are not worthwhile to do should be taken over by the organizations of collective economy at the village-gacha level in line with the will of the masses. For example, it is necessary for collectives to organize, coordinate, and render services for mechanized farming, irrigation, plants protection, fine seeds breeding in agriculture; strain breeding and improvement and disease control in animal husbandry; the capital construction of large and medium-sized farms and pastoral farms, the collective development of natural resources; the popularization of scientific and technological results; the supplies of means of production; and the purchase, processing, delivery, and sales of farm and animal-by products. This will not only affect the household responsibility system linked to its output but also bring about new vitality to decentralized management of having households sign contracts as well as will

enable the superiority of centralized or unified management to be better integrated with the enthusiasm of decentralized household management so as to promote agricultural and animal husbandry undertakings to achieve modernized development and to have peasants and herdsmen mutually become wealthy.

B. We should further strengthen the development of the socialized services system in the agricultural and animal husbandry sectors with an emphasis in townships, towns, and sumu.

Building a socialized services system in the agricultural and animal husbandry sectors is one of the strategic measures for mobilizing the strength of all social sectors and promoting the development of production in the rural and pastoral areas which must be grasped as a task of prime importance until good results are achieved. During the Eighth Five-Year Plan, we should initially form a four-level service network supported by banners and counties, with townships, towns, and sumu as the mainstay and villages and gacha as the basis, and supplemented by the individual or joint peasant and herdsmen households, and provide multilayered socialized services of various economic sectors, forms, and functions.

According to the actual situations in most rural and pastoral areas, the pressing task at present is to do a good job in building comprehensive service stations in townships, towns, and sumu. Townships, towns and, sumu where conditions permit should actively pool the strength of all agricultural and animal husbandry stations to form comprehensive stations. Under the strong unified leadership of township, towns, and sumu, we should do a good job in organizing the comprehensive stations and those supply and marketing cooperatives, and grain, credit, and material units in townships, towns, and sumu, and coordinate them with one another and carry out comprehensive and coordinated service in line with the spirit of promoting the development of production, mutual benefits, and cooperation. Townships, towns, and sumu with a fairly high level of economic development should explore a higher level of comprehensive service. Townships, towns, and sumu where conditions for running comprehensive stations are absent should also do a good job in giving specialized services. In building service organizations in townships, towns, and sumu, we should mainly rely on our own efforts, with essential support from the financial and banking departments, so that we can gradually attain the goal of having specialized service personnel, demonstration and popularization bases, service means, training conditions, and economic entities. Meanwhile, we should actively build collective economic service organizations in villages and gacha and encourage peasants and herdsmen to individually or jointly run all sorts of service organizations. It is necessary to continuously display the role of demonstration households and specialized households and increase the capacity of peasants and herdsmen to serve themselves.

The state economic and technological departments in the region, leagues, cities, banners, and counties should closely combine their own professional work with the economic development of rural and pastoral areas and the service needs of the broad masses of peasants and herdsmen, and fully display their organizational, coordinated, guiding, and influential role in the course of service. The banners and counties in particular should speed up their efforts to build five service systems in science and technology popularization, water conservancy and water and soil conservation, zootechnics and veterinary science, the management of agricultural and animal husbandry machinery, and the purchase and marketing of agricultural and animal by-products. We should advocate the practice of urging institutions and units under the agricultural, animal husbandry, forestry, and water conservancy departments to run agricultural and animal husbandry service entities in line with relevant stipulations and support them with preferential policies. The state's original operating funds will not change. The income from the paid service should be used for improving the work and living conditions and strengthening the capacity of service entities to develop themselves.

Service organizations at all levels must firmly cultivate the ideology of serving the grass roots, peasants and herdsmen, and the development of production and actively provide them with quality and effective service. Units and organizations implementing the system of paid service should adhere to the principle of guaranteeing the cost while making a little profit and taking a reasonable service charge. No unit or individual may be allowed to increase the burden of peasants under the pretext of service, or even to extort money or articles from peasants and herdsmen.

Party committees and governments at all levels should do a good job in the organizational and leadership work of the socialized services system, guide all sorts of service organizations to display their own expertise, and encourage them to coordinate and cooperate with one another. It is necessary to deal with different cases with different methods and to provide them with appropriate preferential policies and essential support in terms of finance, credit, and taxation.

C. We should start with developmental production projects to gradually expand the collective economic strength.

Currently in Inner Mongolia, villages and gacha with substantial collective economic strength account for less than 30 percent of the total, and most of our villages and gacha have hardly any financial and material resources at their disposal except for land and grassland. We should give adequate attention to this problem. As practice has proven, only when we gradually expand the collective economic strength and continuously increase the financial and material resources that the collective can dispose of in a unified manner, can we provide a

reliable material foundation and guarantee for implementing the dual management system and strengthening the service function. The more important issue is that expanding the collective economic strength is the fundamental way to make the collectives more united and appealing, to develop the productive forces, to facilitate the common prosperity of peasants and herdsmen, and to consolidate the socialist front in rural and pastoral areas. We should fully understand the important significance of the expansion of the collective economic strength from this perspective and adopt realistic and effective measures to make it successful.

In expanding the collective economic strength, the priority is to open up new financial resources with developmental production projects. In line with the actual conditions of Inner Mongolia, most localities should base themselves on their advantages in ground resources and focus on the development of agricultural and animal husbandry resources and the development of "green enterprises" (planting) and "mobile enterprises" (breeding). Starting with the development in these fields, we should gradually accumulate funds to enhance the collective economic strength. This road is more practical and reliable. Localities where conditions permit may actively develop township enterprises. To help the villages and gacha where the collective economic strength is weak with developmental production projects, financial and monetary departments at all levels should render support with loans or loans with interest subsidized. All localities may also muster their aid-the-poor funds properly to support town, townships, and sumu or villages and gacha to carry out some developmental production projects. Meanwhile, they should successfully manage land, grassland, and other collective assets and collect accumulation funds or contract fees according to the stipulations of contracts. Based on different situations, they should conscientiously sort out and collect the funds for the contracts due to expire. They may also increase the collective income through socialized services or by collecting reasonable service charges.

In short, all localities should proceed from their specific conditions to expand their collective economic strength through the development of production and accumulation of funds. They should conscientiously conduct investigations and study and continuously summarize typical experiences to open up their own roads. They should not be overly anxious in expanding the collective economy, nor conduct mutual comparisons, still less indiscriminately transfer the property of peasants and herdsmen. They should establish strict accounting, auditing, supervisory, and other managerial systems to avoid the losses of collective assets. Meanwhile, they should adopt effective measures to reduce the excessive burdens on peasants and herdsmen other than taxes and abolish all irrational collection of fees.

D. We should start with the effort to resolve the difficulty in purchases and sales to deepen the reform of the circulation system in rural and pastoral areas.

Impeded circulation of commodities in Inner Mongolia's rural and pastoral areas remains a rather conspicuous problem at present. The difficulty in purchases and sales not only seriously dampens the production and business enthusiasm of peasants and herdsmen and affects the further expansion of the markets for industrial goods but also causes a decline in the economic benefits of the enterprises selling farm and animal products, stagnates a great amount of bank funds, continuously increases financial burdens, and makes it impossible to successfully support agriculture, animal husbandry, and other undertakings. Therefore, further deepening the reform of the circulation system and establishing a mechanism of the socialist planned commodity economy have become the key issues concerning the development of agricultural, animal husbandry, and the entire economy of Inner Mongolia. The party Central Committee and the State Council have made explicit stipulations for deepening the reform of the prices of farm products and the reform of the circulation system. How to implement these stipulations in line with specific local conditions and conscientiously enliven circulation is a pressing task for us.

To enliven the circulation of farm products, it is imperative to establish circulation systems with multiple channels and fewer links. Supply and marketing cooperatives and the state-run firms are the major channels of commodity circulation and are encountering a severe situation in which the circulation has been clogged, the share possessed by markets is small, and economic results decrease. Reasons for these problems are many, but the major one is that enterprises lack vitality. The fundamental way to change to this is to deepen the internal reforms of enterprises, realistically shift the operation mechanism, and reinforce their vitality. Efforts should be made to actively probe internal reforms in distribution and employment systems and to truly smash the "practice" of eating from the same big pot and the iron rice bowl. Through the method of conducting development production and expanding the share of peasants and herdsmen's stock, we should gradually enhance the actual economic strength and service function. Efforts should be made to realistically improve the operational work style, to readjust the business structure, to expand the operation and the service fields, to establish with peasants and herdsmen various mutually beneficial communities in production, supplies, and sales, and to encourage villages and households to take up various service businesses. Foreign trade enterprises and enterprises in charge of processing farm and livestock products should also establish with rural villages and pastoral areas various economic associations to provide stable channels for product sales and to build reliable goods resources and raw material bases of their own. The existing unified service centers for production, supplies, and sales and the unified business organizations of trade, industry, and agriculture at the banner-county level throughout the region are playing a good role in organizing production and enlivening the commodity circulation. Various localities should earnestly summarize



and popularize the experiences gained by these centers and organizations; and lead the economic and technical departments to shift their function to smash the jurisdiction relationship, the ownership style, and the demarcation line of administrative districts so as to establish various managerial and economic entities to provide services for rural villages and pastoral areas to develop the commodity economy. In rendering services, these departments should continuously reinforce themselves. Only by doing so can they not only deal with many knotty problems currently cropping up in developing agricultural and animal husbandry economy but also lay a foundation for banners and counties to conduct comprehensive reforms in auxiliary facilities. Governments at all levels and departments concerned should adopt the policies of preferential treatment and support to promote these entities to achieve development. Meanwhile, they should encourage the collective-run economic organizations and the peasant and herdsmen pedlars to enter the circulation field through various means. All farm and livestock products for which the restriction has been relaxed by the state and the autonomous regional authorities will be allowed to be purchased and sold and to join in wholesale and long-distance delivery. While uncovering the circulation channels, we should vigorously reduce the intermediate links and leave the advantage to peasants and herdsmen as much as possible. Efforts should be made to smash the regional blockade, to remove all illegal check points, and to block all unlawful acts, such as arbitrary charge collection and fines, so as to maintain the normal circulation order.

To enliven the circulation of farm and livestock products, it is imperative to vigorously establish various markets of farm and livestock products. The region's market system of farm and livestock products is very unhealthy, which is an important factor that will restrict the work of enlivening the commodity circulation in rural villages and pastoral areas. In improving the market system of farm and livestock products in line with the regional reality, we should make a start in developing trade fairs, develop trade fairs from a small scale into large one and from a low level to a high one, and gradually build up the market system of farm and livestock products with wholesale markets as a center. Through efforts made during the Eighth Five-Year Plan, villages and towns more dense in population and with more convenient traffic should establish trade fairs with a fixed date. The banner seat of pastoral areas should establish its trade center of livestock products and animal by-products. Based on this principle, we should establish in a planned manner and step by step a large number of specialized wholesale markets of farm and livestock products among key cities and the traditional distributing centers of farm and livestock products. In the border areas where conditions permit, we should gradually increase border trade stations, establish export-oriented processing zones, and expand border trade. Meanwhile, we should actively open up domestic and international markets and, through good-quality and

low-priced products, strengthened supervisory mechanisms, and standardized measures, gradually establish long-term and stable relationship between supply and marketing units. Regarding important staple farm and animal products, we should gradually develop futures exchanges and long- and medium-term trade along with the current spot transactions. This is an important guarantee for preventing the disconnection of production from marketing and the sharp rise and fall of farm and animal products. We should conscientiously intensify construction of market facilities. Governments at all levels and pertinent departments should earmark certain amounts of funds for the construction of commercial units and infrastructural facilities and successfully manage the markets according to state relevant policies and laws. The current lack of storage facilities and strained transportation are the two major problems affecting the circulation of farm and animal products. We should adopt every possible means to solve them. We should mobilize forces from the entire society in addition to increasing state and local financial investment. Regarding storage facilities, for instance, we may encourage collectives and individuals to build warehouses and engage in the storage business. We may also allow all trades and professions to open their storage facilities to the public, lease them out, manage them in the way they manage enterprises, and develop the warehouse business as an industry to change total reliance on governments. Transportation should also be developed in the same way. In addition to greatly tapping the potential of the existing state railway and highway transportation enterprises, we should step up development of waterway transportation on the one hand and actively encourage collective and nongovernmental transportation business on the other hand.

To enliven the circulation of farm and animal products, we should firmly embrace the concepts on the commodity economy, on the market, and on competition, respect the law of value, conscientiously study and continuously probe the characteristics of the operational mechanism combining the planned economy with market regulation, and have a good command of the general laws governing commodity circulation to guide our practical work. The circulation of farm and animal products is an issue involving large numbers of departments, policies, and work tasks. Party committees and governments at all levels should strengthen leadership and attach importance to circulation as they do production. All levels should organize a special body led by a government leader to study and resolve the important issues concerning the field of circulation. Its major task is, based on the principle of combining the planned economy with market regulation and the laws related to the commodity economy, to use administrative, economic, and legal means to strengthen management, regulation, and control of circulation, coordinate the economic interests between different departments and different localities in a timely manner, and resolve the contradictions and difficulties arising in the circulation. With the leadership and coordination of governments at

all levels, departments in charge of commodity circulation, material circulation, information circulation, fund circulation, and transportation should cooperate and muster efforts to continuously expand the field of service. We should particularly make efforts to educate and guide grass-roots cadres as well as peasants and herdsmen to enhance their concept of the market and of deciding on what to plant, breed, or process according to market demand. Departments concerned should strengthen market forecast and provide timely and accurate market information to grass-roots cadres, peasants, and herdsmen to avoid unwarrantable losses due to ill-considered production.

E. We should facilitate the comprehensive and coordinated reform at the banner and county level through the breakthroughs in streamlining higher levels and changing government functions.

At our pastoral work conference, we pointed out that the problem of unwieldy and overstaffed organs of banners and counties was a focus of the many contradictions of banners and counties. When this problem is solved, some improvement will be made in the economic and social development of banners and counties. Such a conclusion is realistic. Judging from the experiences of some localities, it will very likely become a trend in the reform of banner- and county-level government organs that the economic and technological departments of banner- and county-level governments separate themselves from government departments, change themselves from administrative organs into economic entities and then into enterprises, and establish the pattern of "small-scale government but large-scale service."

The earlier we grasp this problem, the earlier we will gain the initiative, the longer we delay the solution to the problem the more the problems and contradictions will rise and the narrower the way will be, and finally we will land in a predicament. Given this situation, our leading comrades should have a very strong sense of crisis and responsibility and the determination, courage, and resourcefulness for fighting to win or die, consciously overcome the wait-and-see passive sentiments and the ideological misgivings of fearing to lose votes or giving offense to the responsible departments at the upper levels, and be determined to make progress in the comprehensive support of reforms in banners and counties. We should do a good job in propaganda work and create a social media of streamlining the upper levels and changing functions. We should broaden our views and solve the problem on the placement of surplus workers by adopting the methods of running developmental economic entities, assigning them jobs in townships and villages, and encouraging them to leave their posts to take training. The banner and county economic and technological responsible departments should realistically change their functions, further strengthen their service functions and measures, and raise the level of service. Party and government organs should fill a post according to the duty required and appoint a personnel according to the requirements of the post, improve

management over the targets defined, persist in awarding those who are diligent and punish those who are lazy, and explore new areas, such as abolishing the "big common pot" and the "iron rice bowl." The regional party committee has called on all leagues and cities, on the basis of successfully conducting the experimental work of popularizing the experience of Qihar Right Wing Front Banner, to begin the comprehensive support of reforms in banners and counties in an all-round manner next year. At present, the Ulaanqab League has comprehensively carried out this reform campaign in various banners and counties. Regional-level departments should give them active support. Other leagues and cities should also take actions and basically fulfill this task during the Eighth Five-Year Plan. We should act in line with central demands, do a good job in grasping the organizational reform of the region and of leagues and cities, and strive to streamline more than 20 percent of the existing number of workers of the regional administrative and operational units within three to five years. Party committees and governments at all levels should establish temporary specialized organs in line with the forementioned demand, work out plans, implement them step by step, and guarantee the fulfillment of this task on time.

#### **4. We Should Adopt Effective Measures and Do Several Practical Things for the Implementation of the Strategy of Using Scientific and Technical Education to Invigorate Agriculture and Animal Husbandry**

Relying on scientific and technical education to invigorate agriculture and animal husbandry is an important strategic measure for building socialist new rural areas and new pastoral area with Chinese characteristics and is the only way to make our region's agriculture and animal husbandry enter a new stage and create a new level. Party committees and governments at all levels should understand the importance of relying on scientific and technical education to invigorate agriculture and animal husbandry from a strategic perspective, firmly cultivate the ideology of relying on science and technology to develop the economy, and realistically strengthen organizational leadership over scientific and technical educational work. The top leaders must pay attention to the primary productive forces, step up efforts to apply the strategy of using scientific and technical education to invigorate agriculture and animal husbandry in the spirit of facing against time, reforms, and blazing new trails, be determined to do a few practical things, remarkably raise the scientific and technological achievements popularization and application rate in the agricultural and animal husbandry sectors of our region, noticeably increase the agricultural and animal husbandry input, obviously enhance the scientific and cultural level of peasants and herdsmen, further improve the system and policy on combining scientific and technical education with production, and enable our region's agricultural and animal husbandry development to gradually move to the path of relying on scientific and technological progress and raising the quality of laborers.

A. We should further strengthen the system of popularizing agricultural and animal husbandry technology and make great efforts to promote and popularize the applicable scientific and technological achievements in the agricultural and animal husbandry sectors.

Actively promoting the advanced and applicable agricultural and animal husbandry technology is a breakthrough point for using scientific and technical education to invigorate agriculture and animal husbandry and the basic way for translating science and technology into actual productive forces. At present, only one-third of the region's agricultural and animal husbandry research achievements are applied, which is lower than the national average level. This is a very conspicuous weak link. In the future, we should regard the dissemination and application of the scientific and technological achievements applicable to agriculture and animal husbandry as the major aspect of work and strategic priority and make particular efforts to disseminate and apply the key technology concerning the selection and breeding of fine seeds, rational application of fertilizer, systematic cultivation, improvement of sandy land, improvement of animal strains, and processing of farm and animal products. Meanwhile, we should attach importance to and intensify the basic research and application research on the science and technology concerning agriculture and animal husbandry, increase the reserve technology for agriculture and animal husbandry, and enhance the capacity for developing agriculture and animal husbandry through the application of science and technology. We should intensify the study of meteorology and the law governing various disasters to raise our standards in monitoring, forecasting, and controlling disasters. Relevant scientific research units, secondary specialized schools, colleges, and universities should actively undertake scientific and technological research projects and bring in advanced agricultural and animal husbandry technology to successfully develop the leading role and the spread of demonstration units and advanced technology.

A great amount of work needs to be done at the grass-roots levels if we are to disseminate advanced technology applicable to agriculture and animal husbandry to thousands of households and make it blossom and bear fruit. Therefore, we should conscientiously strengthen the building of the technology dissemination organs of towns, townships, and sumu while improving banner and county agricultural and animal husbandry technology dissemination centers. All localities and departments should step up formulation of specific policies in line with the requirements of the party Central Committee and the State Council to make sure that technology dissemination organs are established in all towns, townships, and sumu in two to three years. They should also adjust and replenish scientific and technical personnel, strive to broaden the fields of service, and gradually socialize and substantiate their service in the process to provide service to peasants and herdsmen before, during and after their production. Town, township, and sumu technology dissemination departments

should make the best use of their favorable conditions and advantages to coordinate their developmental production with the establishment of fine seed, experimental, demonstration, and training bases so that they will increase their economic strength for providing scientific and technical service and the ability for self-development. We should establish and improve the scientific and technical service organizations at the village and gacha level, intensify the training of scientific and technological demonstration households, encourage and promote the development of various nongovernment specialized technological associations, research societies, and scientific and technical service organizations in rural and pastoral areas, and give play to their role in disseminating and applying science and technology.

Inner Mongolia's current scientific and technological investment in agriculture and animal husbandry is insufficient, and departments engaged in the research and dissemination of agricultural and animal husbandry sciences face a very conspicuous problem of having funds to conduct research but lacking funds to put their research achievements into use. Party committees and governments at all levels should correctly understand the relationship between the investment in science and technology and the investment in production, enhance the sense of respect for scientific and technological investment, formulate and adopt measures to collect funds at various levels and through various channels, and increase the effective investment in science and technology. Financial departments at all levels should increase their funds for the dissemination of agricultural and animal husbandry science and technology every year. A fairly large proportion of the agricultural and animal husbandry development funds should be used as investment in agricultural and animal husbandry science and technology. Beginning in 1992, all localities should use the newly increased part of agricultural and animal husbandry investment mainly in science and technology. Localities and units where conditions permit should gradually establish special funds for developing agriculture and animal husbandry through the application of science and technology. Monetary departments should greatly support the agricultural and animal husbandry projects developed through the application of science and technology and give them preferential treatment in the supply of credit and arrangement of funds. Township and village organizations with substantial collective economic strength and peasant and herdsmen households with fairly high per capita income should also make active efforts to invest financial and material resources in scientific and technological undertakings. We should strengthen the management and supervision of scientific and technological funds and use the special funds for special purposes to ensure the returns of investment. We should encourage and support the departments engaged in the research and dissemination of agricultural and animal husbandry science to streamline the higher levels, replenish their grass-roots levels, and develop entities to increase income. Through the efforts of various quarters,



we should provide a reliable guarantee of funds for implementing the strategy of developing agriculture and animal husbandry through the application of science and technology and the promotion of education.

B. We should conduct more reforms in scientific and technological systems, improve the scientific and technological policies, and promote the combination of science-technology and the economy.

While deepening the reform drive in economic systems, we should vigorously reform the science and technology managerial systems and emphatically deal with the problems in which the scientific and technological forces in the grass-roots level units of rural villages and pastoral areas are weak and where the contingent of scientific and technological personnel is not fully staffed and stable so as to create conditions for having agricultural and animal husbandry science and technology and scientific and technological personnel enter the main battlefield of economic construction.

First, we should adopt correct policies and measures to lead scientific and technological personnel to the forefront of agricultural and livestock production. The key to boosting agricultural and livestock production and having scientific and technological personnel go down to the production forefront lies in the leading role played by the policies. We should continuously uphold the policies and measures that have been proved effective. Efforts should be continuously made to formulate the policies of preferential treatment and encouragement, which are in conformity with reality, to promote scientific and technological personnel to take up work at grass-roots level units, to reform the student enrollment and enrollment quota systems of higher educational institutions and junior colleges, and to expand the proportion and scope of enrolling students who come from special localities and will return to work for their localities. Such a student enrollment should be aimed at grass-roots level units as much as possible and the student quota distribution must match the reality. Hereafter, the graduates of higher educational institutions and junior colleges must first have a job in grass-roots level units. Efforts should be made to further implement the party's policy on intellectuals affairs and to understand and deal with the practical difficulties encountered by scientific and technological personnel. We should also enhance the ideological and political work and encourage scientific and technological personnel to persistently follow the road of integrating themselves with practice and production. Governments at all levels should formulate relevant policies to commend or award the scientific and technological personnel who have made prominent contributions at their level and particularly to commend those who have long worked in the grass-roots level units and scored marked achievements.

Second, we should further develop technological markets and pave a new way of integrating science and technology with the economy. Efforts should be made to

foster the new concept of technologies meaning commodities and to support and encourage scientific research and education units and scientific and technological personnel to go deep into rural villages and pastoral areas to sign contracts on the development of agricultural and livestock undertakings and on the popularization of research results, to open economic entities run by collectives or individuals and with the combination of science, agriculture, and trade, as well as scientific and technological information organs, and to carry out various effective services for agricultural and livestock undertakings. In particular, we should earnestly popularize the experience gained in signing contracts joined by groups with regard to putting the scientific and technological results of agricultural and animal husbandry in markets and leading scientific and technological personnel to join in the main battlefield of economic construction in agriculture and animal husbandry. Using multiple methods, we should fulfill the tasks in this regard. Units in charge of scientific research of agriculture and animal husbandry and of popularizing the research results should deepen their internal reform, enhance their management, and emphatically deal with the "malpractice" of eating from the same big pot to reinforce their own vitality.

Third, we should straighten out the scientific and technological system to foster strong joint forces and do a good job in launching a general campaign of having science and technology make agriculture and animal husbandry prosperous. The phenomena of "small and all-embracing," doing things in one's own way, concealment from each other, and the low level and duplication of research subjects still exist to varying degrees in the scientific research units of agriculture and animal husbandry throughout the region. All of these have weakened the region's entire strength in the scientific research of agriculture and animal husbandry. Therefore, we should further straighten out the leading system of scientific research, enhance overall leadership and the planned guidance, and make rational arrangements for scientific research. Governments at all levels and the scientific and technological departments of agriculture and animal husbandry should bring into full play the function of overall readjustment and control, do a good job in enforcing the plan of having science and technology make agriculture and animal husbandry prosperous, and unite science and technology and education with the forces of economic departments and others to foster the tremendous joint forces of having science and technology make agriculture and animal husbandry prosperous.

C. We should vigorously develop educational undertakings in rural villages and pastoral areas and steadily upgrade the scientific and cultural quality of the broad masses of cadres, peasants, and herdsmen.

The vast number of peasants and herdsmen are the main enforcers of the strategy of having science and technology make agriculture and animal husbandry prosperous. Realistically upgrading the scientific and educational levels of rural villages and pastoral areas as well as the scientific and cultural levels of peasants and herdsmen has an important significance on promoting the overall progress of the economy, science and technology, and the society in rural villages and pastoral areas.

Education is the foundation for improving the scientific and cultural quality of peasants and herdsmen. Proceeding from the long-term need for implementing the strategy of developing agriculture and animal husbandry through the application of science and technology and for training a new type of peasant and herdsman, we should strengthen the overall planning of elementary education, vocational education, and adult education in rural and pastoral areas and facilitate the coordination of the development of agriculture, science and technology, and education. We should make elementary education successful in rural and pastoral areas and speed up the implementation of compulsory education. We should greatly develop vocational and technical education and adult education and, through such measures as "three years of schooling plus one year of special courses," train junior and senior middle school graduates and army men transferred to civilian jobs on a priority basis so that they will become a backbone force and leaders in disseminating and applying scientific and technological achievements in rural and pastoral areas. During the Eighth Five-Year Plan, we should accomplish the task of training one family technician in every household and, through the efforts to eliminate illiteracy, make more than 95 percent of the region's young and middle-aged people literate.

Leading cadres' sense of respect for science and technology and their scientific and technological quality have a direct bearing on the progress and development of scientific and technological undertakings and on the enhancement of the sense of respect for science and technology in the entire society. We should adopt various measures to intensify the training of leading cadres at different levels and according to established priorities. We should greatly strengthen the publicity of science and technology to enhance the sense of respect for science and technology of the people throughout the region, especially the vast number of peasants and herdsmen. Propaganda, cultural, and press units at all levels, science and technology associations, the Communist Youth League (CYL), women's federations, and other mass organizations, and colleges and universities should map out plans in line with their specific conditions and characteristics and, focusing on the strategic policy decision of developing agriculture and animal husbandry through the application of science and technology, give wide publicity to the Marxist viewpoint that science and technology are the primary productive forces, to the principles and policies of the party and state for developing science and technology, and to advanced typical

examples and advanced persons so as to make contributions to disseminating scientific and technological knowledge and advocating scientific spirit.

### **5. Make Great Efforts To Adjust the Economic Structure in Rural and Pastoral Areas and Blaze New Trails for the Coordinated Development of Agriculture, Animal Husbandry, Forestry, Industry, and Trade**

Modern agriculture and animal husbandry are specialized and commercialized agriculture and animal husbandry with high efficiency. The endeavor to maintain a reasonable structure in the rural and pastoral economies plays an extremely important role in raising the economic efficiency of agriculture and animal husbandry and accelerating the development of the commodity economy in rural and pastoral areas. Inner Mongolia's current economic structure in rural and pastoral areas is not rational enough, with the development of the secondary and tertiary industries lagging seriously behind. Making great efforts to adjust the economic structure in rural and pastoral areas and promoting the coordinated development of agriculture, animal husbandry, forestry, industry, and trade constitute our pressing task. Party committees and governments at all levels should attach great importance to the adjustment of the production structure in rural and pastoral areas and, guided by market demand and aiming at improving economic efficiency and increasing the income of peasants and herdsmen, accelerate the adjustment to gradually optimize and raise the efficiency of the rural and pastoral economic structure.

#### **A. We should make adjustments to rationalize the structures of agriculture and animal husbandry**

First, we should adjust the structure of farming. We should ensure the steady growth of grain to consolidate and improve the region's grain self-sufficiency that has already been achieved. We should never slacken efforts in this work. To ensure the steady growth of grain, we should thoroughly change the traditional thinking and method of extensive cultivation, make great efforts to transform low- and medium-yield farmland, and reclaim the wasteland suitable for farming in a planned manner. We should also attach importance to raising per-unit yields, expanding the planting of rice and wheat, and strive to achieve self-sufficiency in rice and wheat during the Eighth Five-Year Plan. We should help peasants increase both production and income by selling more grain as a commodity, enhancing their capacity for transforming grain, and raising the efficiency of their farming. We should pay attention to protecting the enthusiasm of the peasants for growing grain, carry out policies to encourage the banners and counties with high grain production and marketing volumes, and provide them with conditions for developing a diversified economy. We should expand cash crop growing areas, gradually form a reasonable grain and cash crop production structure, and strive to make greater headway in the production of oil-bearing crops, sugar, forest products, fruits, crude drugs, tobacco, and cotton. We should

realistically grasp the "vegetable basket" project in the suburban districts. Second, we should readjust the livestock production arrangement and structure. The pastoral areas should stabilize the number of livestock, continue to increase the proportion of fertile dams, speed up the improvement of livestock, increase the livestock production capacity and the livestock commodity rate, and increase the economic results of animal husbandry. The rural areas and the areas partially engaged in agricultural production and partially engaged in livestock raising industry should bring their advantages into full play, further tap potential, persistently coordinate agriculture with animal husbandry, grasp the transformation of farm and sideline products, and strive to make a big breakthrough in developing animal husbandry. Third, we should develop regional cropping and breeding industries. On the basis of improving the existing farm and livestock product bases and in accordance with different natural resources, we should give priority to building, in a well-planned manner, a number of farm and livestock product bases so as to create regional products with competitiveness and regional pillar industries. The areas where conditions permit should grasp the production of paddy rice and cotton, gradually expand crop sown areas, and build paddy and cotton production bases of appropriate scale. We should pay attention to developing agriculture and animal husbandry capable of creating foreign exchange. State farms should make great contributions to developing grain production and a diversified economy. Thus, we should continue to pay attention to and support the development of state farms and bring into play their experimental functions for specializing, commercializing, and modernizing agriculture and animal husbandry.

B. We should give full scope to the advantages of having natural resources and comprehensively develop agricultural and livestock resources.

Our region has vast cultivated and pastoral areas as well as rich reserve resources for development of agriculture and animal husbandry, such as uncultivated areas, barren hillsides, barren hills, unused water areas, and water-deficient grassland. There is great potential for development and utilization. We should conscientiously sum up the experience in comprehensively developing agriculture gained in the previous stage, scientifically map out plans, positively strive to gain the support of the state, boldly bring in financial and material resources from other places, mobilize the masses to make investment and throw themselves into labor, and strive to speed up the pace of development. We should set a high starting point for comprehensively developing agricultural and livestock resources and coordinate the development with the readjustment of the economic structure, the establishment of farm and livestock product bases, and the improvement of ecological environment. We should pay attention to quality, stress efficiency, and ensure success in development. The areas where conditions permit should develop farming on an appropriate scale.

C. We should further expand the way of thinking and accelerate the development of town and township enterprises.

To accelerate the development of town and township enterprises, we should make great efforts to increase the ways of development and to alleviate the strain on technology and capital.

First, we should base ourselves on the advantages of having natural resources and widen the channels for developing town and township enterprises accurately in line with market demands. We should use our region's natural resources fully, concentrate efforts on developing the processing of farm, livestock, forest, sideline, and fish products, develop mining industries, and develop secondary and tertiary industries whose products are widely marketable, including the transportation, building and building materials industries, commerce, and service trade. We should foster the concept of commodities, observe the law of value, develop products in line with market demands, and avoid blind development. In developing the processing of farm, forests, livestock, sideline, and fish products, we should follow the path of coordinating cropping industry with breeding industry and making trade, industry, and agriculture a coordinate process. Our region has good conditions for processing forage grass. However, we are still weak in this aspect. So town and township enterprises should take the processing of forage grass as a key link for development.

To solve the contradictions of having rich natural resources but a shortage of trained personnel and technology, on the one hand, we should base ourselves on training and enhancing the quality of the local technical workers and managerial personnel. On the other hand, we should give a free hand in bringing in trained personnel and technology. This is a short cut to solving the problem of having a shortage of trained personnel and technology. While solving the problem of lacking funds to invigorate our work, we should also broaden our views. According to some local experiences, we can see that there are the following few ways: We can gradually accumulate funds by running some industries such as crop cultivation and aquaculture that require a small investment, absorb idle funds in society by adopting the method of collecting funds, promoting the shareholding system, and devoting funds instead of labor; properly put funds together to support some enterprises that require a small investment but yield quick returns, bring in funds and equipment by carrying out multichanneled coordination and cooperation of various forms and follow the road of "using equipment and technology of other localities to produce products of our own." We should make bigger strides in this aspect.

In short, we should further broaden our views and fields of vision. Localities where conditions permit should step up their efforts to grasp this work and localities where conditions do not permit at the moment should strive to



create conditions. If a locality lacks conditions for running plants, it may establish plants in other localities. Localities with objective conditions but without capacity should follow the road of importing technology or developing cooperation. The autonomous region and various leagues and cities should formulate policies and measures for combining urban and rural economies and using the urban economy to bring along the rural one, and should enhance the radiation capacity of the urban industry on the rural and pastoral areas.

Second, we should adopt more preferential policies and provide a favorable external environment for the development of township enterprises. The region and various leagues, cities, banners, and counties, in light of the problem that some formulated preferential policies have not been implemented in places where needed, should step up their efforts to conduct a conscientious inspection and solve the problems as quickly as possible. In line with the demands of the "decision" proposed by the eighth plenary session, we should implement new policies to help enterprises that support the production of large and medium-sized state enterprises, enterprises that process farm products and produce exported products to earn foreign exchange, and labor-intensive enterprises.

Third, we should raise the operational and management levels of the existing township enterprises and strengthen their vitality. It is necessary to follow the state industrial policy, cope with market changes, and readjust the production set-up and product mix in a timely manner. We should also strengthen technical training, pay attention to technological transformation, expand production capacity, intensify and improve operation and management, and exert efforts to raise product quality and economic efficiency. Leaders at all levels should regularly conduct investigation and study in township enterprises and actively and voluntarily help township enterprises eliminate misgivings, solve problems, and formulate plans. Efforts should be made to encourage township enterprises to participate in or organize enterprise groups.

#### **6. We Should Promote the Spirit of the Foolish Old Man Who Removed the Mountain, and Fight a Rigid Battle in Building the Agricultural and Animal Husbandry Foundation**

During the 1990s, we must mobilize the people to fight a rigid battle in building our region's agricultural and animal husbandry foundation, achieve real progress in the following aspects, and create a solid foundation for agriculture to develop towards a higher level.

**A. We should continue to strengthen the capital construction of farmland and water conservancy projects focusing on harnessing rivers and improving soil fertility.**

All localities should formulate some practical medium and long-term plans and annual plan in accordance with the principle of seeking comprehensive improvement,

paying attention to actual results, doing things in line with their capacity, and giving reasonable burdens, and implement them specifically and step by step. As far as the whole region is concerned, drought has always been the main threat to agriculture and animal husbandry. Localities with a shortage of water resources should comprehensively apply engineering and biological measures, concentrate energy on building "fields with three mu of land," and realize the objective that each person has an average of one mu of farmland where water irrigation is guaranteed and two mu of farmland where dryland farming is basically carried out by 1995. Localities with rich water resources should set higher standards, do a good job in building farmland supporting projects, and build systematic and high-standard farmland where stable and high yields are ensured. Hilly areas and loess plateau areas should further strengthen water and soil conservation work, actively advocate the application of farm manure, and continue to improve soil fertility.

Various localities should pay attention to maintaining, renewing, and reforming the existing water conservancy projects, coordinate them as much as possible, and score results soon. Meanwhile, efforts should be made to build a large number of new water conservancy facilities, to popularize water-saving agriculture, to expand the irrigation acreage of farmland, and to enhance the capability of combating drought. We should formulate plans as soon as possible for taming large rivers, such as the Huang He, the West Liao He, and the Nen Jiang, and strive to put these plans in the state programs. By the end of this century, our region will try to have its per peasant acreage of well-irrigated farmland reach two mu, and of stable-and-high yield dry farmland reach two mu. All units from top to bottom throughout the region should make efforts to fulfill this target.

**B. A good job should be done in carrying out the basic construction of animal husbandry by regarding the pastoral construction as a center.**

In developing animal husbandry, it is imperative to follow the road of raising animals with constructive significance scientifically. Efforts should be made to accelerate the pace of building grassland, to pay attention to construction quality, and to upgrade the construction effect based on enhancing the protection of pastoral farms and the rational utilization of grassland and by regarding as an emphasis the work of building fodder grass bases with the "coordinated operation" of water conservancy works construction, grass growing, tree planting, mechanized cultivation, and fodder processing. During the Eighth Five-Year Plan, the annual acreage of built pastoral farms should reach 20 million mu and per animal grass stored should reach from 150 to 200 kg and we should strive to be self-supporting in fodder grass and feeds. The construction of facilities, such as sheds or pens and the centers or stations of animal disease control, should develop greatly. We should strive to have every herding household own a permanent shed or pen, enhance the construction of

water conservancy works in pastoral areas, and basically deal with the difficulty encountered by some areas in potable water. A good job should be done in formulating plans for developing the grassland short of water. We should concentrate on consolidating, improving, and upgrading the bases of preventing disasters among 38 banners and counties that are apt to suffer disasters, expand the scope of base construction and the proportion of farm and herding households that have been benefited, and further upgrade the capability of combating or preventing natural disasters.

C. We should accelerate the construction of industries turning out products for agricultural use and the process of mechanizing agriculture and animal husbandry so as to arm agriculture and animal husbandry with advanced materials and technologies.

We should continuously increase the construction of fertilizer enterprises and the input in technical renovations to support the development of fertilizer industry in the region. In building the large Neimenggu fertilizer plant, we should ensure the progress and quality of construction. Great attention should be paid to vigorously promoting the mechanization of agriculture and animal husbandry. This is not only an important measure to reform the outdated farming system and method but also a fundamental way to upgrade the labor productivity and to realize standardized economic results. Efforts should be made to maintain the region's leading position of livestock mechanization in the country and to foster a livestock machine production pattern in which the machines for harvesting grass, utilizing wind energy, and processing grass and fodder are regarded as an emphasis, the production of large, medium-sized, and small machines is combined, and products are suitable to the needs of various pastoral farms. We should continuously give subsidies for the production of wind-powered generators and help herdsmen meet their power supplies for their livelihood and production. In producing farm and livestock machines, we should put our emphasis on developing high horsepower tractors and other combined plowing, sowing, harvesting, and transporting machines. The farm machine stations at township-town-sumu level should strive to become service entities within two or three years that possess three or five tractors and other combined machines. The quality of plastic sheet agricultural production should be upgraded and the variety and output of such a production should be increased. By 1995, we should basically saturate the demand for plastic sheeting for production.

D. We should vigorously improve the ecological environment to benefit future generations.

Planting trees and grass to build an ecological screen not only plays an important role in protecting the stable and high yield of agriculture and animal husbandry but also may improve the ecological environment. We must carry forward this task unswervingly. In improving the ecological environment, we should uphold the combination among ecological effects, economic results, and social

benefits, as well as the combination between development, utilization and the protection of natural resources. Major goals totally fulfilled at the end of this century are as follows: Through the building of the three large forestry projects, including the three north shelter belt, sand control, and plains afforestation, the percentage of forest cover will increase from 14 percent at present to 18 percent at the end of this century; the region will restore and expand more than 20 million mu of large pastures, and tasks assigned by the state to the region for building the three north shelter belts and bringing sand under control will be totally fulfilled. By realizing these targets, our region's ecological environment will incur a great change.

To intensify the infrastructural construction for agriculture and animal husbandry, we should increase investment step by step. After economic development and the increase in financial resources, financial departments at all levels of the region should gradually increase the proportion of the investment in agriculture and animal husbandry and should also strive for state investment. Funds in support of agriculture in the Eighth Five-Year Plan should be greater than in the Seventh Five-Year Plan and should be increased every year. Beginning in 1992, financial departments at all levels should set aside five percent of the increased part of their revenues to invest in agriculture and animal husbandry every year. We should continue the preferential policies on the supplies of loans to agriculture and animal husbandry. Meanwhile, we should make active efforts to bring in foreign capital and make the best use of the international low-interest loans to serve the region's agricultural and animal husbandry production. We should encourage and guide village collective organizations and the masses of peasants and herdsmen to invest money and labor, which constitute the major part of the investment. We should adhere to and improve the system of labor accumulation. Every laborer in farming areas should devote at least 30 workdays a year and every laborer in pastoral areas should devote no less than 20 workdays a year. The accumulated labor should be used by collectives in a unified manner. To encourage peasants and herdsmen to make investment, the key is to implement the principle that "those who make investment receive benefits." Creating the basic conditions for stabilizing and developing production through investment is a good thing compatible with the long-term interests of peasants and herdsmen, which, if successfully carried out, will boost the enthusiasm of the masses. We should strengthen management of investment of various types, enforce multiple types of systems that link investment with output and systems of responsibility, ensure key projects, and raise the efficiency of the investment. All localities should fully and successfully use agricultural and animal husbandry development funds fixed by the state and the autonomous region and avoid their misuse.

To intensify the infrastructural construction for agriculture and animal husbandry, we should further mobilize and organize peasants and herdsmen to display the spirit

of the foolish old man who removed mountains. Our efforts in the construction should be based on self-reliance and on the all-out efforts and the pioneering spirit of the people of various nationalities. Grand construction targets can be attained only through hard and solid efforts, and there will be no way out without hard work. The more difficult the natural conditions are, the more we should have lofty ideals and work persistently. At present, many typical examples in developing the infrastructural construction for agriculture and animal husbandry in a big way have emerged in many localities of the region, and the vast number of peasants and herdsmen have very high enthusiasm. Such a construction trend is very good. Leaders at all levels should value very much and protect the construction enthusiasm of the masses and link their long-term interests with immediate efficiency so that people's enthusiasm can last long. Party and government leaders should act not only as the organizers and directors but also the leaders and vanguards of the construction. The CYL, women's federation, and militia organizations in rural and pastoral areas should become shock troops in the construction.

While intensifying the infrastructural construction for agriculture and animal husbandry, we should also succeed in aiding the poor. We should conscientiously implement state preferential policies for helping poverty-stricken areas, give them support, which should be based on the development of farming and breeding and aims at improving production conditions, and boost their morale, and enhance the vigor and capacity of poverty-stricken areas and households for self-development. We should mobilize the entire society to muster their efforts to aid the poor through such measures as designating units to hold the responsibility for helping selected areas, developing projects to help the poor, conducting economic cooperation, providing support by counterpart units, exchanging cadres, and making those who have achieved prosperity to help the poor. We should further consolidate the good results in aiding the poor achieved in the Seventh Five-Year Plan and enable the people who still do not have sufficient food and clothing at present to have sufficient food and clothing by the end of the Eighth Five-Year Plan and to basically eliminate poverty by the end of this century.

#### **7. Intensify the Socialist Ideological Education, Greatly Step Up Efforts To Improve Grass-Roots Organizations, and Achieve New Progress in Building the Spiritual Civilization in Rural and Pastoral Areas**

To build socialist new rural and pastoral areas, we should make unremitting efforts in ideological and political work, step up efforts to improve grass-roots organizations and build the spiritual civilization, provide strong political, ideological, and organizational guarantees for the economic and social development in rural and pastoral areas, and enable rural and pastoral reform and construction to advance always along the socialist orientation.

A. We should concentrate energy on grasping the education on socialist ideology.

Deeply conducting the education on socialist ideology is a great measure for continuously guiding the peasants and herdsmen to follow the path of socialism with Chinese characteristics under the new historical age of the party. The party Central Committee and the regional party committee have clearly worked out basic requirements, steps, and policy measures for conducting the education. Thus, we should further strengthen leadership, firmly grasp the implementation of these requirements, steps, and policy measures, persist in standards, and strictly avoid superficially conducting the education. To this end, we must solve several key problems.

First, we should deeply understand the extreme importance of socialist ideological education. To successfully conduct socialism, we must justly and forcefully conduct socialist ideological education. The failure to clearly understand or firmly persist in this will bring us serious, bad results. Conducting socialist ideological education in the rural and pastoral areas is a demand for implementing the basic line of the party as well as a demand for stabilizing the rural and pastoral areas. Particularly under the current situation, we should effectively resist the international reactionary forces' plot for peaceful evolution, consolidate the rural and pastoral areas' achievements in socialist revolution and construction, and speed up the reform and development of the rural and pastoral areas. To realize the regional grand target for economic construction in the 1990s, we must let socialism firmly occupy the ideological and cultural front of the rural and pastoral areas and realistically strengthen the socialist ideological education among the peasants and herdsmen.

Second, we should comprehensively fulfill the three basic tasks for socialist ideological education in line with the six requirements as set forth in the "decision" of the Eighth Plenary Session. Ideological education, economic construction, and the setup of village-level organizations are organic bodies to supplement and promote each other in the course of conducting the socialist ideological education. To determine if an area has successfully conducted education, we should judge them according to whether they fulfill the three tasks, realize the six requirements, and effectively solve the problems that should be solved. We should penetrate the ideological education into the entire process of socialist ideological education and vividly conduct the socialist ideological education in an effort to really solve the ideological problems of the peasants and herdsmen. Party members and grass-roots cadres are the main targets for the education. The socialist ideological education should be carried out firmly in line with the central link of deepening reform and developing the economy as well as be conducive to the development of the economy and the deepening of reform. The areas and units where the socialist ideological education has been carried out should make a new change in the reform and construction situation. Strengthening the setup of village-level



organizations with party branches as nucleus is the priority of the socialist ideological education. Through consolidation and construction, we should give full scope to the grass-roots party organizations' role as a leading core and the functional roles of grass-roots organizations of various kinds.

Third, we should accurately understand and implement the principle of taking ideological education, positive-example education, and self-education as the key link and of not making things difficult for the cadres and the masses. We must not combine this principle with the practice of dodging contradictions and concealing problems or equate the practice of giving necessary help, criticism, and education, and the necessary handling of people to making things difficult for the people. We should handle the problems in line with the principle of seeking truth from facts and according to different actual conditions and avoid exaggerating, letting everyone pass the test, making concessions to avoid trouble, or not differentiating between truth and falsehood. We should deeply investigate and verify the persons and things that the people have strong complaints about and answer and handle the problems according to the principle of seeking truth from facts. In line with the "unity-criticism-unity" principle, we should conduct persuasion, education, criticism, and self-criticism to handle ordinary problems. The members of the village and township leading bodies who accept payments but refuse to handle affairs for a long time should be removed from their posts. The problems of seriously abusing power for selfish gains and violating law and discipline should conscientiously be handled according to law, discipline, and relevant policies.

Fourth, we should strengthen the building of the socialist ideological educational work teams. The regional party committee has decided that a work team should be sent to townships and towns (*sumu*) that have decided to dedicate a period of time to this education. This is not only a need for successfully carrying out socialist ideological education in the rural and pastoral areas, but also a need for changing the work style of organs and cultivating and training cadres. Practice proved that the quality and work style of the work teams, whether good or bad, will directly affect the quality of this educational campaign. To ensure that socialist ideological education will not be carried out just for show, we must do a good job in building the work teams. It is necessary to realistically attend to the work of selecting, organizing, training, managing, and evaluating the work teams, and select those leading cadres who have a strong party spirit and good work style, who dare to assume responsibility, and have enough experience to serve as team leaders.

**B. We should actively strengthen the building of grass-roots organizations in the rural and pastoral areas.**

Strengthening the building of grass-roots organizations is one of the important tasks of the rural and pastoral work and party building, as well as a focal point of the socialist ideological education. The various tasks for forms and

construction in the rural and pastoral areas must be finally implemented in places where needed through these grass-roots organizations. Party committees, governments, and relevant departments at all levels should perform their own duties and responsibilities in line with the plans of the central authorities and the regional party committee, maintain close cooperation, manage their work with joint efforts, exert strenuous efforts to firmly grasp the building of township and village grass-roots organizations, particularly the building of the village organizations with party branches as the core, and provide a powerful organizational guarantee for implementing the party's various principles and policies for the rural and pastoral areas, the consolidation of the socialist front, and the realization of the second-step strategic objectives.

During a period to come, the main tasks for strengthening the building of village-level organizations are: First, we should improve all organizational systems by perfecting organizations and installing competent personnel in the leading bodies, continue to implement the measures for consolidating and transforming the party branches that lag behind, realistically strengthen the building of party branches, and fully display their role as a leadership core and a fighting bastion. It is necessary to set a time limit for the consolidation of those listless party branches that carry out their work ineffectively. We should pay particular attention to selecting and installing competent party branch secretaries in *gacha* and villages and select some cadres from higher level organs to serve as party branch secretaries in *gacha* and villages where the choice of persons for the secretary posts has not been decided. Second, we should further implement the "organic law for village committees for trial use," successfully fulfill the democratic election work of the *gacha* and village committees, establish and improve the system of holding village meetings and meetings of representatives of villagers, perfect relevant work organs, and unceasingly strengthen the functions of village organizations to manage, educate, and serve themselves. Third, we should do a good job in consolidating and building the collective economic organizations in *gacha* and villages and other mass organizations such as the youth, women, militia, and public security mediation organizations, and enable them to further strengthen vitality and to fully display their own functions and role. In addition, we should realistically strengthen the building of the activity front of the village-level organizations. It is hoped that next year all village-level organizations across the region will establish places for activity by encouraging cadres to take the lead in work and mobilizing the masses to participate in voluntary labor. We should uphold and perfect the system of democratically appraising party members and the management system of making party members attain a certain target, and strengthen management, education, and supervision over party members through such campaigns as "trying to be the advanced and the best organizations," making "party members establish ties with certain households," coordinate the efforts of

schools and activity centers, and fix a day for establishing contact with the masses. It is necessary to do a good job in training and recruiting new party members who are peasants or herdsmen, unceasingly improve the structure of party-member contingents, raise the political and ideological quality of party members, and realistically solve the aging problem and the low educational level problem of party members and village cadres of the rural and pastoral areas.

**C. We should comprehensively promote the building of spiritual civilization in the rural and pastoral areas.**

The fundamental goal of building socialist spiritual civilization in the rural and pastoral areas is to strive to cultivate a generation of peasants and herdsmen of a new type who have ideals, morality, education, and a sense of discipline. Party committees and governments at all levels and all departments should carry out various mass activities on building socialist spiritual civilization on the basis of conducting socialist ideological education and in close connection with the local reality. By conducting various activities, we should carry forward the spirit of patriotism, have a firm belief in socialism, cultivate the concept of collectivism, strengthen the awareness of abiding by law and discipline, and foster a new practice of cherishing labor and respecting science. We should instill the ideological and cultural front of rural and pastoral areas with the socialist spirit of the present age and the new ideology, morality, and practice mixed with the fine Chinese traditional culture and virtues. We should gradually institutionalize, standardize, and legalize the construction of socialist spiritual civilization so as to see real results. We should strengthen the improvement of the ideological and cultural front and facilities, establish and improve cultural networks at four levels, and create essential conditions for conducting spiritual civilization activities among the peasants and herdsmen.

Carrying out the planned family is the basic state policy on the economic development, social progress, and national prosperity. The rural areas are the main targets for family planning work. We should vigorously disseminate the policies and regulations of the party and the state on family planning, advocate healthy births and a sound upbringing, and put an end to early marriages and early births. We should strengthen the development of grass-roots organizations and the basic work; intensify the planned management of the population; assign the population targets to each level, the grass roots, and the individuals; carry out the system of contracted responsibility for the enforcement of the population plan; strictly make examinations and assessments and give awards and punishment; and strive to realize the targets for the planned management of the population in the Eighth Five-Year Plan and by the end of this century.

There must be a fine and stable social environment for deepening reform and developing the economy in the rural and pastoral areas. At present, the social and political situation of the rural and pastoral areas is

stable. The peasants and herdsmen have also strengthened their awareness of democracy and the legal system through the education on popularizing a general knowledge of law. But we should know that some places frequently have the problems of abduction of and trafficking in women and children; damaging water and power facilities; stealing livestock; producing, trafficking in, and taking narcotics; gambling; and indulging in feudalist and superstitious activities; and some of these problems are even serious. We should arouse the people to be highly vigilant against the underground religious activities and the activities of illegally delivering sermons. Party committees and governments at various levels, particularly the political and legal departments, should realistically assume responsibility for this, further strengthen the setup of democracy and the legal system among the rural and pastoral areas, persist in the principle of coordinating special work with the mass line, and implement various measures for comprehensively improving social order among the grass roots. We should strictly and rapidly deal blows to criminal activities sabotaging the social order, and adopt various measures to immediately eliminate unstable factors and hidden perils, safeguard social stability, strive to improve social order, and provide the rural and pastoral areas with stable security and legal services.

Promoting the unity of nationalities is always an important content of the spiritual civilization in the rural and pastoral areas. All localities should unswervingly attend to this. We should extensively and deeply conduct the education on the unity of nationalities, appropriately solve the problems affecting the unity of nationalities, and ceaselessly consolidate and strengthen the mass unity among the people of various nationalities across the region.

#### **8. We Should Strengthen the Party's Leadership Over Rural and Pastoral Areas and Strive To Improve Leadership and Work Efficiency**

The key to creating a new situation in the rural and pastoral areas and fulfilling various reform and construction tasks in the 1990s hinges on strengthening and improving the leadership of the party and striving to improve the leadership level and work efficiency.

To strengthen the party's leadership over the rural and pastoral work, we should be good at politically observing and handling problems. The "decision" of the eighth plenary session of the 13th party Central Committee clearly pointed out: Agriculture is the foundation of the economic development, social stability, and national independence. The problems relating to the peasants and the rural areas are always fundamental problems in the Chinese revolution and construction. This thesis further expounds the important position of agriculture and the rural work. We should deeply understand its spiritual essence. Our region is in the border area with a population of minority people. The agricultural and livestock undertakings and the rural and pastoral work are big events related to the whole situation of the economy.

politics, and society. In particular, doing a good job in the rural and pastoral work under the current intricate international situation has an important and far-reaching significance on smoothly fulfilling the second-phase strategic goal, safeguarding the motherland's unification, nationalities' unity, and border stability, unswervingly following the road of building socialism with the Chinese characteristics, and effectively combating or opposing peaceful evolution. We must approach the issue from the high plane of this point, foster the consciousness of taking the whole situation into consideration and sharing the state's cares and burdens, and further enhance the sense of political responsibility and emergency in successfully conducting rural and pastoral work.

Party committees and governments at all levels should place the tasks of enhancing agricultural and livestock undertakings and the rural and pastoral work in a strategic position and on an important schedule and frequently study and deal with the prominent problems cropping up in it. Leagues, banners, counties, and cities that have jurisdiction over counties and townships should always place their work emphasis or concentrate their efforts on agricultural and livestock undertakings and rural and pastoral work, and their principal leading personnel should take personal charge of these undertakings and work. During the winter-spring period, various localities should do a good job in earnestly studying and extensively publicizing the spirit of the Eighth Plenary Session of the 13th CPC Central Committee along with the activities of socialist ideological education and in regarding as a political task the study and propaganda of the session's spirit. Through wide publicity and education, we should enable the spirit of the Eighth Plenary Session to be known in every household and to strike root in the hearts of the people and apply the spirit to further unifying the thinking and acts of the entire party and of the people of various nationalities throughout the region.

We should earnestly summarize the experience and steadily upgrade the capability and level of the party's leadership over rural and pastoral work. This requires leading cadres at all levels to uphold the principle of going deep into grass-roots level units and reality, establishing close ties with the mass, energetically carrying out investigation and study, discovering, summarizing, and popularizing the typical experience gained from the practice conducted with the mass, and promoting work in all areas by drawing upon experience gained at key points to promote the work related to the whole situation and to upgrade the level of their leadership. Whether we can integrate the instructions given by the central authorities and our higher authorities with our local reality, are good at conducting work creatively, and score marked achievements represent an important yardstick in measuring the capability and level of leadership in various localities.

Hereafter, the leading personnel of party and government organs at all levels should follow the system under

which they should be responsible for attaining certain objectives; define tasks and duties for themselves, assign targets for every level, sign the letters of responsibility with their subordinate personnel, and assign dates for these personnel to fulfill the responsibility. We should establish scientific and strict criterion for tests, carry out inspection and appraisal each year, and truly achieve in setting a clear demarcation line between achievements and faults and having award and punishment fit the deeds.

Over the past few years, our region's rural and pastoral work has been vigorously supported by the entire society and various industries and trades. The future economic and social development in rural villages and pastoral areas requires the common efforts of the entire party and society. Party committees and governments at all levels should do a good job in conducting coordinated work and continuously mobilize and organize various industries and trades to support agricultural and livestock undertakings and to offer ways and means or make still greater contributions to fulfilling the second-phase strategic target.

Enhancing the party's leadership over rural and pastoral work requires leading cadres at all levels to resolutely maintain their fine ideological style and mental attitude. We should educate cadres at all levels to uphold the purpose of serving the people wholeheartedly, to further do a good job in building administrative honesty and party style and discipline; to encourage honesty and oppose corruption by taking a clear-cut stand, to be greatly determined to deal with the prominent problems that adversely affect the relationship between the party and the masses and between cadres and the masses and particularly the problems of seeking personal gain by taking advantage of power and of malpractice cropping up in various industries and trades, to truly achieve having the party serve the public, performing duties honestly and industriously, telling the truth, and doing practical work, and to make contributions to developing agricultural and livestock undertakings in the region. It is hoped that our regional level and league-city level leading organs and leading cadres are able to take the lead and set examples in this regard.

The CPC Central Committee has decided to convene the 14th CPC Congress in the fourth quarter of 1992. For this, the fifth autonomous regional party committee will first hold the fifth plenum in the first half of 1992 to make arrangements and preparations for the convocation of the 14th CPC Congress. Party organizations at all levels should attach great importance to the preparatory work for the congress and plenum and greet the congress with their outstanding achievements scored in various fields.

Comrades. A blueprint for our region to achieve development in agricultural and livestock undertakings and in rural villages and pastoral areas has been clearly opened to us. We should implement in an overall way the spirit of the Eighth Plenary Session of the 13th CPC Central



Committee, further emancipate our minds, heighten our spirit, conduct reforms and create something new, rouse ourselves for the vigorous efforts to make the region prosperous, and unite with and lead the people of various nationalities throughout the region to make concerted efforts to create a brand new situation in the region's agricultural and livestock undertakings and rural and pastoral work.

## NORTHWEST REGION

### Women, Teachers', Benefits in Reform Viewed

92CM0244A Xi'an SHAANXI RIBAO in Chinese  
9 Mar 92 p 2

[Article by Li Yixia (2621 1837 7209): "Women To 'Hold Up Half the Sky' During Thorough Enterprise Reform"]

[Text] The Renshen Year has just begun, spring is in the air, and the cries of reform are ringing sonorously and forcefully, soundly and solidly. Putting the emphasis on improving the large and medium-sized state-run enterprises, replacing the old mechanisms, and smashing the "three irons" (iron rice bowl, iron chair, and iron-clad wages) have become the main rhythm of 1992's enterprise reform. In its wake, the question of protecting women workers' legal rights and privileges has also become a hot topic in enterprises and among the masses of women workers.

The masses of women workers make up an important reform contingent. They hope to uphold reform, increase production, and improve enterprise economic efficiency. They hope that through reform, their work environment and living conditions will further improve.

But faced with the kind of thorough reform that affects their immediate interests, many are worried about whether they can withstand the force and pressure of reality. They worry about protection for their legal rights and privileges. We can say that today's women workers want reform but are also afraid of reform; they want to better themselves but they also want to wait and see. How do we guide the masses of women workers to start out with the historical mission of the working class and the Marxist women's outlook and have a correct cognition and understanding of reform and in turn actively support and participate in the reform? I think we should address the following three areas when dealing with the relationship between reform and protection of the women workers' legal rights and privileges:

**First, promoting reform is the only way to protect the women workers' legal rights and privileges.**

Reform is the self-perfection of the socialist system. This has been proven by history made in the last 12 years. The last 12 years marked a period of rapid economic development in China; it was also a time when the people received the most tangible benefits and was also time

when the contingent of women workers developed and matured, improved in quality, made significant contributions, received even better protection for their legal rights and privileges, and saw their status in society and at home soar to a new height. Facts proved that only by reform can we perfect and develop socialism, and only socialism can set women free. Only by upholding reform can we focus on improving the economy, only then can we give full play to the superiority of socialism, and only then can the women workers' legal rights and privileges be protected.

**Second, enterprises' survival and development are the important guarantees of protection of the women workers' legal rights and privileges.**

Under the old system, women went to work on their shift and returned home after their shift, and life was peaceful and quiet. There was little risk or pressure. Once they were assigned a job, how much they worked, how well they did, and whether they worked at all made very little difference. As a result, many comrades erroneously took that to be the superiority of the socialist system; they thought that was the kind of concern and protection socialism had to offer women. Since reform, more and more women workers have come to think about enterprises' survival and development. They have begun to tie enterprises' rise and fall to their own interests. "Getting in the door does not mean everyone is an enterprise owner." "Having a job is not necessarily the same as making a contribution." Many women workers have already realized that they cannot eat out of the big pot forever. Smashing the "three irons" is imperative. Our women workers must adjust to this change in mechanism ideologically, psychologically, as well as in action. This is because the superiority of the socialist system is created by the masses; it is not something we can get out of the iron rice bowl. Only if we truly understand and live by the socialist principle of from each according to his ability and to each according to his work can enterprises hope to survive, and only then will workers have a future. Only if enterprises grow will they have the strength and the ability to protect the women workers' rights and privileges. Imagine an enterprise on the brink of collapse and is losing money. How can it protect the women workers' rights and privileges?

**Third, contribution is the precondition and the basis of the protection of rights and privileges.**

The party and the state have always shown great concern for the women workers' legal rights and privileges. The Constitution and the relevant laws and regulations on various professions all give expression to this ideology. A basic viewpoint of the Marxist women's outlook is that joining society's labor force is the precondition to women's liberation. People's social and family status ultimately is determined by the role they play in social production. Thus, contributing to society and to enterprises has become the real and permanent basis for society and enterprises to protect the women workers' legal rights and privileges. Only if the masses of women

workers give expression to the spirit of the "five loves" [love the fatherland, love the citizens, love work, love science, and love socialism] and the "four selves," strive to become better, learn more about politics, culture, and technology, rely on their hands and their wisdom, and create even more wealth for enterprises and for society will the protection they demand be positive and reliable.

Of course, we must also realize that for social and historical reasons, neglect and encroachment of the women workers' legal rights and privileges will still happen at times. Today, in smashing the "three irons" and reforming the labor, wage, and distribution systems, the women workers will be the first to feel the effects. They will be tested in real life. To mobilize the women workers' enthusiasm in involving themselves in the four modernizations, to guarantee the success of today's thorough reform and transition to the new mechanisms, the issue of protecting the women workers' rights and privileges has caught and is still catching the attention of party committees and governments at all levels as well as people from all walks. Today, when some enterprises do not have enough work, they send the women workers home first when reorganizing, some enterprises discharge workers based on sex rather than on performance and are laying off some good women workers, and some profitable enterprises are cutting wages of women who take maternity leaves. These are in violation of the party's policies, and they also obstruct the progress of reform and should be dealt with in a practical way.

Comrade Mao Zedong said, when men and women are equal, it is like the sun just rising. Shaanxi Province's 1.3 million women workers are holding hands with their male comrades in the spring tide of reform. They will be loved and protected, and they will become stronger as they meet the challenges.

#### Women Workers' Contributions Noted

92C MO244B Xi an SHANXI RIBAO in Chinese  
9 Mar 92 p 3

[Article by He Tao (6120 7290): "Women Do Their Part, Hold Up Half the Sky—Shaanxi's 1.3 Million Women Workers Make Important Contributions"]

[Text] Shaanxi's many women workers give full play to their wisdom and expertise in the province's economic development and reform and have made important contributions. They truly help "hold up half the sky."

Today, there are more than 1.3 million women workers in Shaanxi. They account for 34.7 percent of the province's total work force.

They do battle on all fronts, in industry, communications, finance and trade, science and technology, education, and news media.

They plunge headlong into the spring tide of economic development and reform. In recent years, they have engaged in a series of activities competing for the title of

"Seven Capables" or "Top Scholar" as part of the Eighth Five-Year Plan Women's Contribution Competition. Participation rate is as high as 91 percent. According to incomplete data, last year alone, they made 8,989 suggestions on making improvements, and their contributions toward the "double increase and double retrenchment" yielded 210 million yuan in profit. Six advanced units won the "Lady's Cup" at the provincial level, and more than 300 were named province-level "expert-pacesetters"—among them, two collectives and 12 women workers won national commendations. At the first Provincial Women Workers' Working Conference which ended on 26 June of last year, the Provincial Workers' Union named 50 women workers, including Zhang Shulan, "expert-pacesetters" and 110 other women workers, including Li Ping, "experts" in the Eighth Five-Year Plan Women's Contribution Competition, and 14 unions' Women Workers' Committee, including Chengcheng County's, were named advanced collectives.

#### Baoji Peasant Women Receive S&T Training

92C MO244C Xi an SHANXI RIBAO in Chinese  
9 Mar 92 p 3

[Article by Ma Weih (7456 3634 7787) and Mao Mao (3029 3029): "Baoji's 45,000 Peasant Women Actively Participate in Science and Technology Training"]

[Text] Amid a wave of rural economic reforms, Baoji City's village women are taking an active part in "getting an education and learning science and technology, competing in achievements and contributions." Last year, more than 45,000 village women received training in science and technology, effectively raising their scientific and technological standards, so that they can play an active role in rural economic development.

Early last year, Baoji City's "get an education and learn science and technology, compete in achievements and contributions" activity prompted many village women to learn and to apply science with great enthusiasm. Last year alone, 14,700 village women received their literacy certificates, 45,000 village women, or 85 percent of the female labor force, attended various training classes to learn about three-dimensional agriculture, ground-covered maize, improved dwarf fruit trees, coop-raised chicken and other new techniques and new results. Some 450 village women took part in the China Agricultural Correspondence University women's vocational classes, and 13,800 village women took courses in the city's more than 300 vocational technical schools. They have all become the city's technological mainstay, and some 257 women have risen to the rank of peasant-technician.

Science and technology have given the masses of village women new vitality. City-wide, there are 8,573 women's science and technology demonstration units and 287 science and technology demonstration points, and 370,000 village women have embarked on the road to prosperity through science and technology—the city's

diverse businesses earned an additional 1.8 million yuan, helping Baogji's 1,500 poor households get a little richer. For this reason, Baogji City's village women's "two study and two competition" coordinating group has been named the nation's and the province's advanced coordinating group.

### Rural Teachers Prosper

92CM0244D Xtra- SHAANXI RIBAO in Chinese  
10 Mar 92 p 3

[Article by Tian Yangwu (3944 7402 2745): "Shaansi's 30,000 Rural Teachers Prosper"]

[Text] Shaansi's Provincial Education Union engaged in poverty-relief work and helped more than 30,000 families of the province's rural teachers escape poverty.

There are more than 70 poverty-stricken counties in Shaansi. Many of the areas' teachers, especially civilian-run school teachers, are very poor because there are few other workers in the families. If this problem was not solved, it could directly undermine the stability of the contingent of teachers and prevent any improvement in the quality of rural education. For this reason, in 1984, the Provincial Education Union began poverty-relief work to help the families of rural teachers. They relied on local governments at all levels and organized workers to go to the villages to study and learn about the teachers'

families, and based on those studies, they set up poverty-relief leading work groups, formulated a poverty-relief plan, and offered technical training to the teachers' families, and thus began the poverty-relief work in earnest. To date, throughout the province, there are more than 40 programs on breeding, cultivation, processing and so on, and there are 2,151 poverty-relief funds of all kinds. More than 35,100 of the province's 44,448 poverty-stricken teacher households have received help, and more than 30,600 of those are no longer considered poor—they have increased their household income by an average of 638 yuan. Launching the poverty-relief work has ended the abnormal phenomenon where teachers were abandoning their teaching jobs to get into business. In YangXi'an County, upon seeing how teachers escape poverty and prosper, 63 teachers who had taken up business or agriculture have returned to teaching. Teachers who remained on the job are relieved and are more enthusiastic. In the last 4 years, Luochuan County have named more than 300 outstanding teachers, 98 of those were from poor families. Of those teachers who are no longer poor, many have set an example for the local peasants who want to escape poverty too. When YangXi'an County teacher Shen Gengrong became rich, he taught his village relatives the science and technology that helped him prosper and even spent 2,000 yuan on a generator to light up the mountain areas. The masses say that "this 'brilliant teacher' lights up the whole mountain area."



### Experts Comment on Import of Mainland Technology

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in Chinese 5 Mar 92 p 6

[Article: "The Import of PRC Technology Must Start With the Use of PRC Scientists and Technicians. While Most Industrialists Agree That the PRC Has Made Research Achievements in Basic Science, They Note That Technological Cooperation or Technology Transfer Are Still Risks"]

[Text] As to the feasibility of importing PRC technology, most industrialists note that the PRC's research achievements in certain fields of basic science are certainly worth further application and commercialization by Taiwan because they could help expand the field of product development. They also note, however, that because there are still many risks involved in technological cooperation or technology transfer with the PRC, it would be best to start in the present stage with areas, such as making use of PRC scientists and technicians.

Along with the growing intentions of some Taiwanese communications and household electronics manufacturers and business firms to invest in setting up factories in and engaging in further technological cooperation with the PRC, matters, such as the suitability of investing in high-tech industries in the PRC, the roles to be played by the PRC and Taiwan in technological cooperation, and the feasibility of importing PRC technology, are all becoming of greater public concern.

Hsia Han-min [1113 3352 3046], director of the National Science Commission, notes that, while consideration can be given to importing and applying some PRC high-tech achievements, to reinforce Taiwan's civilian industries, other studies of import forms still need to be made.

Hsia Han-min's analysis is that, while certain existing PRC research achievements—such as man-made satellites, special materials, and those in certain particular fields—are certainly worth our consideration, it would be best not to import them, because most of these research achievements are closely linked to defense technology, and hence would not be easy to import and might arouse thorny political issues.

Li Chung-hsi [2621 6945 3556], director of the Industrial Chemicals Institute of the Industrial Research Academy, says that Mainland China has certainly accumulated impressive basic technologies in certain special fields of chemistry, such as fluorination and organic synthesis, as well as having made pretty good achievements in certain other catalyst research fields, which basic technologies are worth further taking up and utilizing by Taiwan.

Li Chung-hsi emphasizes, however, that because there is still a long way to go from basic research to commercial mass production, there are certainly too many risks of

uncertainty until in-depth research and assessment proves whether there is economic value.

Li Chung-hsi made the following comments. As the import of PRC technology by Taiwanese industrialists might have negative effects that must be considered in addition to cost, it would be best to proceed in an orderly and step-by-step way in coordination with government priorities. The right procedure in importing PRC technology is to import, study, develop, and improve, to add value to the technology.

K'o Wen-ch'ang [2688 2429 2490], chairman of the board of the Puhson Pioneer Investment Corporation, made the following remarks. It is certainly too early to speak of importing PRC technology for commercial mass production. This is because, while the PRC has made certain research achievements in fields such as basic science and defense technology, these achievements are still a long way from being transformed into commercial mass production. Our current economic and trade activities with the PRC should be focused on how to turn the PRC into Taiwan's economic hinterland. The only basis for expanding commercial mass production by Taiwanese industrialists is breaking into PRC markets.

K'o Wen-ch'ang continued as follows. While it is slightly unrealistic to speak of importing PRC technology, how to make use of PRC scientists and technicians is a matter that certainly deserves the attention of everyone. Methods that would conform more to the immediate climate would be ones, such as the plans of many businessmen to set up research centers in the PRC, or the hiring of overseas PRC students by U.S. companies to carry out scientific research.

Hou Ch'ing-hsiung [0186 3237 7160], director of the Peishih Computer Business Affairs Association, commented as follows. A key task that the government ought to be able to accomplish in the current stage is to increase the number of visits to Taiwan by PRC scientists and technicians. In particular, as the PRC has many outstanding engineers in the field of information software, allowing these people to join Taiwan's business world to contribute their intelligence and display their advantages would be of great help to Taiwan's information industry.

As to the argument of some people that importing PRC technology could reduce Taiwan's economic dependence on Japan, many businessmen have noted the following. There is very little possibility that this would be effective in the short term. This is because the task of developing crucial components cannot be accomplished simply by acquiring basic technology. Reducing our current dependence on Japan will require enhanced R&D by industrialists, in combination with the transfer of commercial technology from advanced countries, to gradually get out from under the cloud of the steadily increasing Sino-Japanese trade deficit.

PRC technology has always been 5 to 10 years behind Taiwanese technology in areas, such as semiconductors and computer peripherals. The current situation is that,

while the PRC needs our technology, it is not the right time to speak of a technology transfer.

Because Taiwan is the world's major supplier of image scanners and computer monitors, mice, and keyboards, we are naturally ahead of the PRC in these four areas.

Data from the Computer and Communications Industry Research Institute (CCIRI) of the Industrial Technology Research Academy shows that the PRC began R&D in 1976 on magnetic software floppy disks, and has developed several types of high-density disks. PRC experts claim that these floppy disks have been brought up to Japanese standards for similar products.

In addition, the PRC has specialized in the field of printers, having put out an ink-jet printer and made its own printer heads, along with getting involved in R&D on laser printers.

The CCIRI data shows that while the PRC is capable of manufacturing computer peripherals, such as soft and hard disks and printers, they are still 8 to 10 years behind overseas technology. As Taiwan has a poor foundation in such information products, we are likely to fall behind if the PRC makes further advances.

As to Taiwan's good lead in technologies, such as image scanning, while the PRC has used all means to invite Taiwanese businessmen to invest in setting up Mainland Chinese factories in this field, the PRC still has no technology export capability here.

Lien Wen-chieh [6647 2429 2638], an enterprise planning engineer at CCIRI who has gone to see the PRC's semiconductor industry, has discovered that the PRC's integrated circuit design, manufacturing, and packaging are 5 to 10 years behind Taiwan's.

But Lien Wen-chieh points out that the PRC has very strong linear integrated circuit technology that could contribute to development in the field of consumer electronics products.

#### Article on New Investment Trends in Mainland

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9 Mar 92 p 3

[Article by Hsiung Ch'uan-hui (3574 0278 1979) and Liu Hsiu-chen (0491 4423 3791): "Taiwanese Investment in the PRC Is Proceeding in Wave After Wave; Large Enterprises Are Making Active Investment Plans, While Related Industries Are Joining Their Ranks, Which Is Increasing Investments Even More Steadily"]

[Text] A new trend has appeared in Taiwanese investment in the PRC, which is characterized by large enterprises beginning to make plans for investing in the PRC, related industries joining their ranks, and investments increasing steadily, so that the actual activities of Taiwanese businessmen have already surpassed government standards.

Industrialists and businessmen who attended the National Economics Conference last Saturday (7 March) issued a sharp call for the government to stop being so conservative, and to make appropriate plans to speed up the pace of the shift of Taiwanese industries to the PRC, to keep Taiwanese industries from losing their dominance in the trade competition between Taiwan and the PRC.

Liu T'ai-ying [0491 3141 5391], director of the Taiwan Economic Studies Institute, said that "as Taiwanese civilian investment activities are still very strong, the government should plan cooperative projects between S&T industries in Taiwan and the PRC, instead of prohibiting them so stubbornly."

Liu T'ai-ying made the following remarks: In the indirect trade with the PRC upon which the government has lifted restrictions to date, investment in the PRC by Taiwanese businessmen is increasing steadily. While civilian domestic investment declined in 1991, overall investment still grew because of overseas investment, the only difference being that the form of investment began to change and evolve into a new trend.

This new trend is one in which small and mid-size enterprises are no longer playing the major role; the Executive Yuan's PRC Commission has also discovered this change. Its trade official said that this very clear wave of development can be seen in the active plans being made by large enterprises.

The Weich'uan Corp, a union of two large food products firms, has set its sights on the PRC's huge domestic market demand. Ch'en Li-ying [7115 7787 3841], an assistant research fellow at the Chunghua Academy of Economics Studies, has become aware of the following: "While large enterprises did not seem to be involved in the past, it has now become very common for them to hire other agencies to make assessments for them of the PRC investment climate." It is quite obvious that some enterprises naturally hope to be able to import from or jointly develop with the PRC technologies that Taiwan does not have. For instance, some manufacturers and business firms are already conducting feasibility studies on cooperative development of microwave engineering by Taiwan and the PRC.

Huang Nan-t'u [7806 0589 0956], the general director of the Weich'uan Corp, spoke as follows: "The deliberations of the National Economics Conference on economic and trade relations between Taiwan and the PRC were still unable to go beyond the short-range limits of a unified national program. Being too conservative is of no help to manufacturers and business firms that are struggling to survive." I would suggest that the government stop simply asking manufacturers and business firms to keep their roots in Taiwan, and make overall plans instead for the shift of industry abroad, to keep it from getting out of its control.

In fact, according to the analysis of the research report entitled "Taiwan-PRC Trade Activities and a Comprehensive PRC Policy" that was put out by the PRC Commission at the National Economics Conference, the many changes that took place in 1991 in the structure of investment by Taiwanese businessmen in the PRC, which are going to change Taiwan-PRC trade relations from mutual complementarity to competition, show that investment in the PRC by Taiwanese businessmen is undergoing not only a quantitative increase, but also a qualitative change.

Wu Szu-chung [0702 1835 6945], chairman of the board of the Hsiling Electronics Co, also said that as industrialists naturally hope to make advances and to be able to bring back to Taiwan the profits that they earn overseas, "the PRC seems to be the only current overseas option for manufacturers and business firms," as opposed to the various Southeast Asian countries.

Thus, despite government restrictions, manufacturers and business firms are still advancing into PRC markets according to plan. The service trades are struggling with

the government to lift restrictions on investment in the PRC, of which those who have already established strongholds in the PRC are a case in point. While this shows that Taiwanese businessmen are speeding up their pace of investment in the PRC, the PRC Commission official worries that lifting the restrictions on investment in the PRC in service trades, such as trade and commerce, will erode Taiwan's industrial base.

The Kaolin Company has sent personnel to the PRC to talk business with Taiwanese businessmen there. Cheng Min-fu [6774 2404 1133], its deputy general director, notes that as trade can subsist only with the support of industry, traders must follow along to get orders when industry moves abroad.

Another example is the discussions being carried out by the P'u'eng Company with PRC parties to produce HDTV. Liu T'ai-ying asks, as coordination is required for HDTV launching systems and component standards, "why should PRC products not be used" if the PRC can produce cheap but quality components?



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